

15 HB7TSEA1

16 UNITED STATES DISTRICT COURT
17 SOUTHERN DISTRICT OF NEW YORK
18 -----x

19 UNITED STATES OF AMERICA,

20 v.

21 16 Cr. 467 ALC

22 NORMAN SEABROOK AND MURRAY HUBERFELD,

23 Defendants.

24 -----x

25

26

27

28 November 7, 2017
29 8:57 a.m.

30

31

32 Before:

33 HON. ANDREW L. CARTER, JR.,

34 District Judge
35 and a jury

36

37

38 APPEARANCES

39 JOON H. KIM,
40 United States Attorney for the
41 Southern District of New York
42 KAN MIN NAWADAY,
43 MARTIN S. BELL,
44 RUSSELL CAPONE,
45 Assistant United States Attorneys

46

47

48

49

50

51 SOUTHERN DISTRICT REPORTERS, P.C.
52 (212) 805-0300

1 HB7TSEA1

2 APPEARANCES (Continued)

3
4 BRACEWELL, LLP,
5 Attorneys for defendant Seabrook
6 BY: PAUL LEWIS SHECHTMAN, Esq.
7 MARGARET EMMA LYNAUGH, Esq.
8 Of counsel9
10 MAZUREK LIPTON, LLP
11 Attorneys for defendant Huberfeld
12 BY: HENRY EDWARD MAZUREK, Esq.
13 EVAN LOREN LIPTON, Esq.
14 Of counsel15
16 Also Present:
17 BARD HUBBARD, Special Agent FBI
18 YOLANDA BUSTILLO, Paralegal USAO
19 AUGUSTA GRANQUIST, Paralegal20
21 (In open court)22
23 THE COURT: I came up a little early to make sure
24 we're okay with the technology.25 MR. SCHECHTMAN: We're thrilled with the size, we're
making sure it works. I think we're okay.26
27 THE COURT: All right.28
29 MR. MAZUREK: There's a request whether they could
30 include the screen, there's a request from the gallery whether
31 you could publish on the screen to the audience the same thing.

HB7TSEA1

1 THE COURT: That's fine.

2 MR. NAWADAY: It's going to come up on their screen.

3 THE COURT: I guess while we're waiting on the jurors,
4 are we straight on demonstrative evidence and things like that?

5 MR. SCHECHTMAN: We may have a couple more depending
6 on Mr. Nawaday's summation, but we sent most of them over.

7 THE COURT: And there's no objection to anything?

8 MR. NAWADAY: No, your Honor.

9 THE COURT: Sounds good. As soon as the jurors get
10 here, we'll start.

11 The other thing I guess I should say is again my
12 philosophy is I like to let lawyers be lawyers. Feel free to
13 move around, but make sure the jury can hear you. And lots of
14 lawyers historically, before they sum up, before they open,
15 they say "May it please the Court." You don't have to say
16 that. You're here to please the jury. If you want to say
17 that, you can, it's a stylistic choice, but I want you to know
18 I'm not offended if you don't say, "May it please the Court."

19 MR. SCHECHTMAN: How do I begin otherwise?

20 (Recess taken)

21 THE COURT: Counsel we're waiting on one juror. My
22 intention is when the jury comes out, welcome back, give them a
23 quick instruction that the lawyers' arguments are intended to
24 convince you to draw certain conclusions from the evidence or
25 lack of evidence. Those arguments are important, you should

HB7TSEA1

1 weigh and evaluate them carefully, but you must not confuse
2 them with the evidence. As to what the evidence was, it was
3 your recollection that governs, not the statements of the
4 lawyers. Any objection to that?

5 MR. SCHECHTMAN: None.

6 THE COURT: This line up for sequencing, we'll start
7 off with the government and then counsel for Seabrook?

8 MR. SCHECHTMAN: Yes.

9 THE COURT: Then counsel for Huberfeld and then
10 potentially a rebuttal summation?

11 MR. CAPONE: Yes.

12 THE COURT: Should I eliminate "potentially?" Is
13 there going to be a rebuttal summation?

14 MR. CAPONE: I think so, your Honor.

15 THE COURT: Anything else to deal with? The
16 technology and everything works fine?

17 Anything else we need to do?

18 MR. SCHECHTMAN: Judge, you'll take a 15-minute break
19 after prosecution summation?

20 THE COURT: I think what we should probably do is make
21 it a 20-minute break to give the jurors a head start on
22 everyone else. After the prosecutor's summation we'll take a
23 20-minute break. And after your summation we may time to take
24 a lunch break.

25 MR. SCHECHTMAN: I think I'm going to run a little

HB7TSEA1

Summation - Mr. Nawaday

1 through the lunch hour, and which we'll find a convenient spot
2 to stop.

3 THE COURT: After lunch break we'll have Mr. Mazurek's
4 summation and another 20-minute break and the prosecutor's
5 rebuttal, and that would probably take us through the day and
6 charge tomorrow.

7 So as soon as that juror gets here, we will start.

8 (Recess taken)

9 THE COURT: Okay, the jurors are here, let's bring the
10 jury in. And another thing, no outbursts from anyone in the
11 gallery.

12 (Jury present)

13 THE COURT: Please be seated. Welcome back. I hope
14 you had a pleasant evening.

15 We'll now have closing arguments by the attorneys.
16 The schedule is going to be as follows: We'll have closing
17 argument by the government followed by closing argument by
18 counsel for Mr. Seabrook. We'll take a lunch break, then
19 closing argument by counsel for Mr. Huberfeld followed by a
20 rebuttal summation by the government. We'll also take a break
21 in between the government's summation and counsel for
22 Mr. Seabrook's summation.

23 Let me give you a quick instruction regarding the
24 summations also known as closing arguments. The lawyers'
25 arguments are intended to convince to you draw certain

HB7TSEA1

Summation - Mr. Nawaday

1 conclusions from the evidence or lack of evidence. Those
2 arguments are important, you should weigh and evaluate them
3 carefully, but you must not confuse them with the evidence. As
4 to what the evidence was, it is your recollection that governs,
5 not the statements of the lawyers.

6 Go ahead, counsel.

7 MR. NAWADAY: Greed. That's what brought Norman
8 Seabrook and Murray Huberfeld together. Greed. Greed. That's
9 why these men entered into a corrupt bargain to put corrections
10 officers' money at risk, \$20 million worth. Retirement money,
11 dues money paid by hard-working corrections officers to keep
12 the lights on at the union. Greed. That's why in December of
13 2013 Norman Seabrook complained that he wanted the finer things
14 in life, that his salary of close to \$300,000, that wasn't
15 enough. Greed. That's why his co-defendant Murray Huberfeld
16 agreed to pay Seabrook up to \$100,000 each year and every year
17 for the money he brought to his hedge fund Platinum Partners.
18 Huberfeld was desperate for money for his hedge fund. When he
19 heard that Seabrook was ready to sell, to sell the duty he owed
20 to keep the retirement money of his union members safe,
21 Huberfeld didn't think twice.

22 So what happened? In a period of just months,
23 Seabrook delivered \$20 million of the union's money to
24 Huberfeld's hedge fund. At the end of the year, Huberfeld made
25 good on his end of the corrupt bargain. On December 11, 2014,

HB7TSEA1

Summation - Mr. Nawaday

1 Norman Seabrook took his first kickback payment on the corrupt
2 deal. He took \$60,000 in cash stuffed in a fancy bag, \$60,000
3 that Murray Huberfeld had sent to him as his first kickback
4 payment for investing the union's money in his risky hedge
5 fund.

6 That's what happened here. That's what happened in
7 this case. And despite all the noise and the distractions that
8 defense counsel tried to inject into this trial, it's as simple
9 as that. Kickbacks from Huberfeld to Norman Seabrook in
10 exchange for Seabrook directing millions of dollars of his
11 union's money to Huberfeld's business. A simple quid pro quo.
12 A simple this for that.

13 Now before I go any further, I want to give you a road
14 map of the things I'll be talking to you about this morning.
15 First, I'm going to review with you the evidence you have seen
16 and heard at this trial that shows you what actually happened
17 and that proves to you that these men are guilty. And second,
18 towards the end, I'll review with you very briefly the elements
19 of the crimes that Norman Seabrook and Murray Huberfeld are
20 charged with.

21 I want you to know something, I want you to know that
22 while I go through the evidence with you I will be addressing
23 some of defendants' counsels' arguments. I want to be clear,
24 the defendants have absolutely no burden here. It's the
25 government's burden to prove their guilt beyond a reasonable

HB7TSEA1

Summation - Mr. Nawaday

1 doubt. It's a burden we embrace, and it's a burden we have met
2 absolutely met in this case.

3 But when a defendant chooses to make arguments, when
4 defendants choose to cross-examine witnesses, we can address
5 those arguments, and you should scrutinize them just as you
6 will all the other evidence in the case. But when you do that,
7 you're going to see that none of their arguments hold up.

8 First, let's talk about what is not in dispute in this
9 case. Obviously, there's no dispute here that COBA invested
10 \$20 million into Platinum. There's no dispute that Norman
11 Seabrook was the one pushing for COBA to invest into Platinum.
12 And there's really no serious dispute that this all started
13 around the time that Jona Rechnitz took Norman Seabrook on a
14 trip to the Dominican Republic, and that in that trip COBA had
15 agreed to invest. There's no serious dispute that at the end
16 of 2014 Murray Huberfeld paid somebody, and there's even no
17 dispute December 11, 2014, Jona Rechnitz met Norman Seabrook
18 and handed him this bag.

19 So what is in dispute? It's simple. One thing the
20 defendants have to dispute is that Huberfeld agreed to pay
21 Norman Seabrook year in and year out to get Seabrook to invest
22 COBA money with Platinum. They have to dispute that there was
23 cash in this bag on December 11, 2014. And that's why that's
24 why defense counsel has tried to make this a trial of Jona
25 Rechnitz. That's why they have tried to make this a trial

HB7TSEA1

Summation - Mr. Nawaday

1 about whether you like Jona Rechnitz. Well, guess what? There
2 was a case against Jona Rechnitz. There was United States
3 versus Jona Rechnitz. You heard that we charged him for his
4 crimes and he had pled guilty and he's going to get sentenced
5 for his crimes.

6 So why does the defense make a strategic choice of
7 trying to make this a trial about whether you like Jona
8 Rechnitz or not? Why did they spend 99 percent of their
9 cross-examination on it, talking about Rechnitz's unethical
10 business practices, his taxes, shady investments, all of which
11 you know about because Jona Rechnitz admitted it to you.

12 They do that to distract you from the hard evidence
13 that you see, evidence that your common sense tells you can
14 only mean one thing, that these defendants had a kickback
15 scheme relating to COBA's investment in Platinum. They did
16 that because they know that if you push away the noise and
17 focus only on the facts and the evidence that you have seen
18 that they can't dispute, then you have plenty of evidence to
19 find these men guilty. You have plenty of evidence to convict
20 even before you hear a word or think about what Jona Rechnitz
21 told you.

22 Now what evidence am I talking about? Fourteen
23 things.

24 First, you have the travel records. These travel
25 records show you on December 17, Jona Rechnitz paid for a

15 HB7TSEA1

15 Summation - Mr. Nawaday

15 private jet to take Norman Seabrook and others to the Dominican
16 Republic, and they returned on December 18, 2013.

15 Second, you know what happened very quickly after that
16 trip. The evidence has shown you that the bargain between
17 Huberfeld and Seabrook was brokered, was facilitated by
18 Rechnitz very soon after that trip. Emails and phone records
19 show that only six days after they come back from the Dominican
20 Republic there was a meeting set between Seabrook, Huberfeld
21 and Rechnitz at Platinum's offices.

15 Then, only two days after that, Huberfeld forwarded
16 Rechnitz subscription paperwork, and by January 6, Seabrook had
17 already set up a pitch meeting at COBA.

18 That's Government Exhibit 1021.

15 Think about that. Only days after Seabrook returned
16 from a trip to the Dominican Republic with Rechnitz, COBA's
17 investment in Platinum Partners was moving forward quickly, a
18 risky investment of millions and millions of dollars of
19 retirement money, million of dollars into a hedge fund a type
20 of investment that Elias Husamudeen, the current president of
21 COBA who had been in union office 20 years, Elias Husamudeen
22 told you the union had never made such an investment before in
23 history. Why does it happen so fast? Because Huberfeld agreed
24 to give kickback money to Seabrook, and Seabrook was anxious to
25 get the investment done so he could get paid.

25 Third, we have the testimony of COBA officials who

HB7TSEA1

Summation - Mr. Nawaday

1 told you how Seabrook hid information from them about the risk
2 of investing in Platinum. You saw the diligence letter from
3 COBA's lawyer talking about all his concerns with the
4 investment of millions of dollars into Platinum, a hedge fund.
5 That's that February 14, 2014 letter from Howard Wein.

6 Look at this letter. Addressed to the trustees. You
7 know who the trustees are. Elias Husamudeen, Mike Maiello,
8 Amelia Warner. It's only sent to Norman Seabrook. The other
9 trustees, even though this letter is addressed to them, they
10 never saw this letter. This letter was addressed to them, sent
11 to Seabrook, and Seabrook never sent it to the trustees.

12 Those other trustees, they never knew that their own
13 lawyer had raised concerns about this investment. Why would
14 Norman Seabrook keep these concerns from his own board?
15 Because he wanted them to approve this investment at all costs,
16 because that's the only way he gets his money.

17 Fourth, you also know that that attorney's letter
18 wasn't the only thing about Platinum that Seabrook hid from the
19 other COBA board officials. You heard evidence from COBA board
20 members about how Seabrook went behind their back, everyone's
21 back, and invested \$5 million of the union's operating account
22 money, the operating account, the money that is used to keep
23 the lights on. He took over 90 percent of the union's rainy
24 day fund all on his own and he put it into Platinum. Not only
25 had that operating account money never been invested in a hedge

HB7TSEA1

Summation - Mr. Nawaday

1 fund before, it had never even been invested before. Why do
2 that? You know why, because he was going to get paid.

3 Fifth, you know why Murray Huberfeld was willing to
4 pay Seabrook a kickback. You have the emails that show
5 Huberfeld was desperate for COBA's money, like this one from
6 Mark Nordlicht. In this email Mark Nordlicht informs Huberfeld
7 that they have so redemptions at the PPVA fund, the very fund
8 that COBA invested in, that they may have to shut down, they
9 may have to wind down.

10 You also have the testimony from the SS & C witness,
11 that gentleman was -- from SS & C was the administrator for
12 Platinum, and he told you in 2014 COBA was the biggest investor
13 in the PPVA fund.

14 You also know that the fund needed new investment from
15 Murray Huberfeld himself. He told you that. You have this
16 call, Government Exhibit 905, when Huberfeld told Jeremy
17 Reichberg that he's under pressure and he needs more money from
18 COBA.

19 (Audio recording played)

20 MR. NAWADAY: Murray Huberfeld is under pressure, and
21 you know why.

22 Sixth, you have all the independent evidence about the
23 hand off of cash on December 11, 2014. You have the phone
24 contact between Rechnitz and Seabrook and Rechnitz and
25 Huberfeld arranging the hand off that day.

HB7TSEA1

Summation - Mr. Nawaday

1 You have the Ferragamo receipt showing Rechnitz bought
2 a Ferragamo men's messenger bag at this Ferragamo store only
3 several blacks from his office that day. And you see the time
4 he bought that Ferragamo bag, it was around 6:02 p.m.

5 You also have the video surveillance from 580 Fifth
6 Avenue showing Rechnitz return to his office with this bag,
7 with this bag, after buying it then leaving only about 15
8 minutes later after he filled it with \$60,000 in cash.

9 You also have license plate reader evidence showing
10 around 6:09 p.m. that day Norman Seabrook drove into Manhattan
11 in his COBA car. So he's driving in only about seven minutes
12 after Jona Rechnitz bought this bag.

13 You also have his calendar entry. It shows you the
14 Torah dedication ceremony that Rechnitz and Seabrook already
15 planned to attend later that evening, and they did attend later
16 that evening, and you can see that in this photograph.

17 Seventh, and this is critical, you have this,
18 Government Exhibit 1064. This is a fake Knicks invoice which
19 was created on the same day as the money drop, actually only
20 about an hour before the money drop. And this invoice, this
21 fake invoice, was forwarded to Murray Huberfeld.

22 And you also have all the evidence that shows you this
23 was a sham invoice. We showed you images from the games that
24 Jona Rechnitz had that were supposedly sold to Platinum, and
25 guess what, no one from Platinum went. Murray Huberfeld didn't

HB7TSEA1

Summation - Mr. Nawaday

1 go to those games. This was a fake invoice.

2 If all this is on the up and up, if Norman Seabrook
3 invests COBA's money because of his financial smarts and his
4 belief in Murray Huberfeld's hedge fund, a fund, by the way he
5 just learned about and a type of fund the union had never
6 invested in before, why do they paper it over with a fake
7 invoice? Why prepare it on the same day Jona Rechnitz is
8 meeting Norman Seabrook to give him this bag? You know why.
9 Your common sense tells you exactly why. Because Murray
10 Huberfeld had to find a way to get Platinum to pay \$60,000 in
11 bribe money to Norman Seabrook. And guess what? You can't
12 exactly write "kickback payment" to Norman Seabrook on your
13 invoice.

14 But there's more. Eighth. You have the wire calls
15 showing that after the first payment of \$60,000 to Seabrook,
16 Huberfeld was still desperate to get more COBA money. He was
17 still using Rechnitz as a middle man. You have Government
18 Exhibit 912. I am going to play a snippet of this call now and
19 go into more detail later, but I think it's important to play
20 just this snippet.

21 (Audio recording played)

22 MR. NAWADAY: I didn't want to say anything. Norman,
23 give me 10 million by February 1st, because I want you to do
24 that.

25 Ask yourselves, Murray Huberfeld just met Norman

HB7TSEA1

Summation - Mr. Nawaday

1 Seabrook in person, and you heard evidence in this call he
2 wants more money for his hedge fund from COBA. Why didn't
3 Murray Huberfeld just ask Norman Seabrook himself? Why didn't
4 he ask for more money himself if there was nothing illegal
5 going on with those investments? Why does Murray Huberfeld
6 need to use Jona Rechnitz, a millionaire, if all of this was
7 above board? You know why. Because Murray Huberfeld doesn't
8 want to get his hands dirty, because one day he may be sitting
9 in a courtroom, and he wants to be able to say I had nothing to
10 do with it. That's why you use a middle man, that's why you
11 use bag money.

12 Speaking of bags, you have the bag. You have the bag
13 that was bought on December 11 that was carried by Rechnitz up
14 to his office, as you saw in the surveillance video, then back
15 down and out of the building and given to Seabrook. And you
16 know where that bag was found. It was found in Seabrook's
17 house when he was arrested. And you also know it's the exact
18 same bag, because the model number from the receipt matches the
19 number of the bag itself.

20 10th. You have this, government Exhibits 808A, 808B,
21 808C, 809, 811, stacks of cash found in Norman Seabrook's
22 house. Now you know that Seabrook didn't receive his salary
23 from COBA or from New York City in cash. You have the bank
24 accounts showing that he put his paychecks into his bank
25 account. But he had \$27,000 in cash in his house.

1 And that leads me to my eleventh point, the category
2 of evidence that you have. Most of the cash, Government
3 Exhibits 808A through C, was found in the safe, about \$21,000
4 of it. And you'll notice that on the envelopes in handwriting
5 it says 5M and 10M on the envelopes. 10M and 5M written on the
6 envelopes with thousands of dollars in the envelopes. How is
7 it that there's a 10M and a 5M on these envelopes filled with
8 cash? And just coincidence that these numbers match COBA's
9 investments that year? They're there. Because Norman Seabrook
10 put them there to keep track of his cut.

11 12. You have bank records and the cash deposits into
12 Seabrook's accounts after December 2014, the hand off date.
13 All those cash deposits seem to basically stop around May 2015.
14 And you know why that happened, because in May 2015 grand jury
15 subpoenas were issued to COBA and Platinum seeking documents
16 relating to the investment.

17 13. You have Government Exhibits 820A through C,
18 these Mohegan Sun markers that show that Norman Seabrook paid
19 off money he owed to Mohegan Sun. By check? No. By wire?
20 No. By cash. And actually, Government Exhibit 820A, that
21 shows that little over a month after the hand off he goes up to
22 Mohegan Sun and he pays back \$7,000 that he owes in cash. And
23 you know where that cash came from.

24 14. You also have these, these Platinum Partners
25 Holdings, Government Exhibit 805, 806 and 807. Where were

HB7TSEA1

Summation - Mr. Nawaday

1 these found? They're found in Norman Seabrook's car the day he
2 was arrested. Why is he driving around with these? Why isn't
3 he driving around with investment folders from Wright or
4 Intercontinental or Advent, the other money managers for COBA?
5 You know, because Platinum Partners, that was Norman Seabrook's
6 payday.

7 Ladies and gentlemen, these fourteen categories of
8 independent evidence paints you an absolutely crystal clear
9 picture of what happened between Huberfeld and Seabrook. So
10 before you even get to Jona Rechnitz, from all this evidence
11 you know that Huberfeld was desperate for money for his hedge
12 fund, and that Norman Seabrook was willing to invest millions
13 of dollars of his union's retirement money if he could get some
14 money in return.

15 You know that Huberfeld and Seabrook agreed to the
16 corrupt deal because it's the only explanation for all this
17 evidence that shows you what happened. It's the only
18 explanation for why people at Platinum were emailing each other
19 in July 2014 before COBA's third investment. Platinum people
20 were emailing each other that they didn't even have to pitch
21 COBA for more money. Why? Because they had their inside man,
22 Norman Seabrook, he was going to take care of it.

23 And you know that from Government Exhibit 1079. This
24 is an email from Uri Landesman at Platinum Partners emailing
25 Eli Kalter, who you heard from at this trial. And you remember

HB7TSEA1

Summation - Mr. Nawaday

1 Eli Kalter was going to substitute for Uri for a presentation
2 at COBA. And what does Uri Landesman tell Kalter? For some
3 reason that highlight is a little messed up.

4 In the version that you have in evidence, he says:
5 Don't pitch for more. Norman will handle that after you leave.
6 And that's Government Exhibit 1079. Norman will handle that
7 after you leave, don't pitch for more.

8 Why is he saying that? Because the fix is in.

9 That there was a corrupt deal with these two men is
10 obvious, because it's the only explanation for why, after that
11 July 2014 meeting at COBA, Seabrook almost immediately called
12 Rechnitz; also the only explanation for why Seabrook hid from
13 his own board the letter from the lawyer saying he had serious
14 concerns about the investments. It's the only explanation for
15 why Seabrook secretly invested \$5 million from the union's
16 operating account without telling a single member of the COBA
17 board. And it's also the only explanation for why Murray
18 Huberfeld agreed to push through a phony Knicks invoice at
19 Platinum so he could get the \$60,000 that he needed to give to
20 Norman Seabrook.

21 Norman Seabrook and Murray Huberfeld wanted to get
22 this deal done, they wanted to get it done fast, and not to
23 have anyone on the board at COBA express any second thoughts
24 about it, because Huberfeld wanted Seabrook's money and
25 Seabrook wanted Huberfeld's money.

HB7TSEA1

Summation - Mr. Nawaday

1 Now to distract you from all this evidence, defense
2 counsel spend four days going through the finer details of
3 Rechnitz's health insurance and other things that have nothing
4 to do with this case. Why? Like I said earlier, because they
5 know all this evidence, the independent evidence, is
6 devastating. Plus, they also know that if you believe
7 Rechnitz, what he told you about the scheme, the only
8 conclusion you could reach is that both these defendants are
9 guilty.

10 So why should you believe Jona Rechnitz? Well, you
11 know he's telling the truth because all the independent
12 evidence we just discussed matches what he told you, evidence
13 he had no access to but evidence you have seen, like Seabrook
14 and Huberfeld's phone records, Seabrook's bank records, the
15 license plate material, surveillance footage, the writing on
16 the cash envelopes and everything else.

17 So how does what he told you match the other evidence
18 you saw that they can't dispute? There's a simple explanation:
19 Because that's what happened.

20 Now no one is saying Jona Rechnitz is a model citizen.
21 Far from it. He's a criminal, and he's done terrible things,
22 like lying to friends and family, all for his own benefit. I
23 want you to keep in mind something as you think about Jona
24 Rechnitz, ask yourselves: How do you know about all his
25 crimes? How do you know about the terrible things he's done?

HB7TSEA1

Summation - Mr. Nawaday

1 Because Jona Rechnitz told you himself.

2 Also ask yourself whether Mr. Schechtman or
3 Mr. Mazurek called Jona Rechnitz a liar when he told you about
4 the terrible things he's done. Did they call him a liar when
5 he admitted to you that he bribed cops? They didn't. Because
6 that fits their narrative of what a terrible person he is. Did
7 they call him a liar when he admitted that he lied to his
8 friend Michael Weinberger? They didn't. It's basically only
9 when Jona Rechnitz talks about the crime he committed with
10 Seabrook and Huberfeld, oh, suddenly Jona Rechnitz, he's no
11 longer a truth teller, he's a liar. And you know why they do
12 that.

13 We aren't asking you to like Jona Rechnitz. You
14 shouldn't. But is what he told you true? Does it make sense,
15 and does it match everything you have seen and heard in this
16 case? Is his testimony supported by all the other evidence?

17 And it is. So let's talk about that evidence. Let's
18 start at the beginning. You learned that Rechnitz and Jeremy
19 Reichberg, the man on the right there in Government
20 Exhibit 714, were introduced to Norman Seabrook by Philip
21 Banks, in man in Government Exhibit 701. This happened around
22 the fall of 2013.

23 So what happened after Seabrook met Rechnitz? They
24 became fast friends, and Rechnitz started taking Seabrook on
25 all-expense-paid expensive trips, like this one to Israel. And

HB7TSEA1

Summation - Mr. Nawaday

1 you have seen that from the photo book of this trip that
2 Rechnitz took with Seabrook, Chief Banks, and Jeremy Reichberg.

3 You've also seen the video from that trip when
4 Seabrook gives a toast to Rechnitz.

5 (Video recording played)

6 MR. NAWADAY: There were also two trips to the
7 Dominican Republic, one in November 2013, and the December 17,
8 2013 trip. The December 17, 2013 trip was the trip when the
9 kickback scheme was hatched, and I will get to that trip later,
10 but first I want to talk about Rechnitz's relationship with the
11 other participant in the scheme, Murray Huberfeld.

12 Huberfeld and Rechnitz's families were part of the
13 same Orthodox Jewish community, and they knew each other. When
14 Rechnitz moved to New York, he became closer to Huberfeld both
15 personally and professionally. Rechnitz brokered a real estate
16 deal for Huberfeld, and he had many business deals with
17 Huberfeld.

18 Around the fall of 2013, Murray Huberfeld complained
19 that he was tired of soliciting individual investors for
20 Platinum. Huberfeld wanted to target institutional investors
21 like unions. And what happened when Rechnitz heard that
22 Huberfeld wanted institutional investors? He told Huberfeld he
23 was close to Norman Seabrook, he was the president of COBA.

24 What was Huberfeld's reaction? Great. Go try to
25 raise as much money from him as you can. And it didn't take

HB7TSEA1

Summation - Mr. Nawaday

1 long for that to happen. You know that, because soon after
2 this conversation Rechnitz treated Seabrook to another trip to
3 the Dominican Republic. We have the travel records showing the
4 December 17, December 18 trip, shows you passengers. This trip
5 happened.

6 What happened during that trip? Rechnitz and Seabrook
7 had a conversation that night after both of them had been
8 drinking. Seabrook was emotional. Seabrook complained to
9 Rechnitz that he wished he could afford more luxurious things,
10 and Rechnitz saw an opening to put Seabrook and Huberfeld
11 together. He asked Seabrook how the union invested its money,
12 and Seabrook mentioned that the union used an investment
13 advisor. And when Rechnitz prompted Seabrook that the
14 investment advisor probably makes money, what was Seabrook's
15 reaction? Oh, he makes, everybody makes, but Norman Seabrook
16 doesn't make.

17 So when Rechnitz prompted Seabrook, yes, you should be
18 making money, Seabrook replied: Yes, it's time Norman Seabrook
19 got paid.

20 Rechnitz then told Seabrook if Seabrook could get COBA
21 to invest with Murray Huberfeld's fund, there might be a way
22 for Seabrook to personally get money from the deal. What was
23 Seabrook's reaction? He would have no problem getting COBA to
24 invest. Seabrook told Rechnitz that he was the person, in no
25 uncertain terms, who was in control of COBA. But Seabrook also

HB7TSEA1

Summation - Mr. Nawaday

1 wanted to know how much he stood to gain personally. And what
2 was Rechnitz's response? He needs to talk to Murray Huberfeld
3 about that.

4 Seabrook said: What kind of money would I make? And
5 I said, you know, let's set up a meeting with Murray, and I'll
6 talk to Murray when we get back to town and I'll get back to
7 you.

8 Now that makes sense, right? Rechnitz isn't the one
9 who is going to be paying Seabrook, it's Murray Huberfeld, it's
10 Huberfeld's fund, Platinum, that will benefit from the scheme.
11 So Rechnitz has to check with Murray Huberfeld. And did he?
12 He did.

13 And Huberfeld's response was fast. Soon after
14 Rechnitz and Huberfeld got back to United States, Rechnitz got
15 in touch with Huberfeld. Rechnitz told Huberfeld that Seabrook
16 would need to be paid for bringing COBA money to Platinum.
17 What was Huberfeld's reaction? He jumped at the chance to get
18 COBA money if all it took was making sure that Norman Seabrook
19 got paid.

20 But Rechnitz needed to know what he could tell
21 Seabrook about how much Huberfeld would pay. So Huberfeld
22 created a form for calculating Seabrook's cut. Huberfeld told
23 Rechnitz that Seabrook would be paid a percentage of the
24 profits that Platinum made from the money COBA invested at the
25 end of the year, and if everything went well, Seabrook would

HB7TSEA1

Summation - Mr. Nawaday

1 make \$100,000 at the end of the year.

2 Two things are important here. First, the way the
3 scheme worked was the more money COBA put in, the more money
4 Seabrook brought to Platinum, the bigger Seabrook's kickback
5 would be. That was Huberfeld's formula. Second, Seabrook
6 would be paid every year that COBA kept money for Platinum.
7 Another way to think about it is Seabrook was getting paid a
8 kickback that kept kicking back.

9 (Continued on next page)

10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

HB7JSEA2

Summation - Mr. Nawaday

1 So what happened after Huberfeld gave kickback money
2 to Rechnitz? Rechnitz met Seabrook and told him the formula.
3 He told Seabrook he could make at least a hundred thousand
4 dollars a year. What was Seabrook's reaction? He was happy.
5 He told Rechnitz to set up a meeting with Huberfeld, and he
6 did. That meeting happened at Huberfeld's office in Platinum
7 on December 24th, 2013. You saw this Government Exhibit 1014,
8 the calendar ledger showing that meeting.

9 Remember when they got back from the Dominican
10 Republic? That was December 18th. This meeting is only six
11 days later. That is how fast things moved. Now, besides this
12 face-to-face meeting between Seabrook and Huberfeld, there was
13 also a lunch meeting at the Prime Grill, an expensive
14 steakhouse in Midtown Manhattan.

15 What else have you seen about the days after this
16 December 2013 trip? You also saw the phone records showing
17 Rechnitz acting as a middleman between Huberfeld and Seabrook
18 during the days after they returned from the Dominican
19 Republic.

20 On this point, Ms. Bustillo explained this exhibit to
21 you which is on top, Government Exhibit 505. It shows you the
22 phone contact between Rechnitz and Seabrook and Rechnitz and
23 Huberfeld after December, after the December trip. Now, first
24 you see the phone contact at the top in December, on December
25 17th between Rechnitz and Seabrook, and that contact makes

HB7JSEA2

Summation - Mr. Nawaday

1 sense. It is early morning December 17th. They're about to
2 meet up in New Jersey to take their flight to the Dominican
3 Republic. Then you also see on December 20th first Huberfeld
4 calling Rechnitz and then Seabrook calling Rechnitz, so only
5 two days later there are calls between these people.

6 Now I want to focus again on how quickly this
7 happened. The trip is on December 17th to 18th. Two days
8 later, December 20th, phone contact. During this time Rechnitz
9 gets the formula from Huberfeld and tells Seabrook about it.

10 On December 24th, they have the meeting face-to-face.
11 There is evidence, you have also seen two days after that,
12 December 26th, Government Exhibit 1016, that is at the bottom
13 here, the bottom-left-hand corner, you see two days after the
14 face-to-face meeting on December 26th, Huberfeld has someone
15 from Platinum email Rechnitz subscription paperwork. This
16 shows you Huberfeld wanting COBA's money and Seabrook wanted
17 his kickback scheme going fast. Fast timing makes that clear.

18 So the corrupt deal is set. What was next? Now it
19 was time for Norman Seabrook to deliver his side of the
20 bargain, and you learned Seabrook delivered in a big way and a
21 fast way. You saw this email on January 6th, only three weeks
22 after the Dominican Republic trip. This is Government Exhibit
23 1019 and 1021. At the top Jona Rechnitz, as directed, emails
24 both Murray Huberfeld and Norman Seabrook, both copied here for
25 a meeting coordination. You know why they sent that email.

HB7JSEA2

Summation - Mr. Nawaday

1 They told him to so they could set up the meeting between COBA
2 and Platinum. Then Norman Seabrook writes please send me the
3 names and number of contact to set up the meeting for Monday at
4 11:00 am.

5 Jona Rechnitz, he forwards it to Murray, Murray,
6 please advise, see below for next Monday. You know what next
7 Monday was. Next Monday was the January 13th COBA meeting
8 where the COBA board found out for the first time about
9 Platinum. Norman Seabrook writes back 4:08 pm. Done. Monday
10 at 11:00 am. Jona Rechnitz's response, "awesome."

11 There are a couple of things to focus on here. What
12 email address is Norman Seabrook using? Is that his COBA
13 address? Oh, no. That is his personal address. He wanted
14 only his personal address used to keep the record clean about
15 his relationship with Rechnitz and Huberfeld and Platinum.
16 That's why he did that.

17 Why does Rechnitz say, "awesome"? Because the meeting
18 that was being set up was a formality. It was a done deal.
19 You saw it was Norman Seabrook made sure it was a done deal.

20 What happened next? That first meeting January 13th,
21 2014. You heard about this meeting in all of COBA's
22 investments in Platinum that year from witnesses from Platinum,
23 like these members of the newly-formed Board of Trustees, left
24 to right you heard from Elias Husamudeen, Mike Maiello and
25 Amelia Warren. Each of them told you this January January 2014

HB7JSEA2

Summation - Mr. Nawaday

1 meeting was the first time they heard about Platinum. They
2 didn't know about these emails and phone calls that were
3 happening in December between Norman Seabrook and Jona Rechnitz
4 and Murray Huberfeld. They learned about it January 13th when
5 Platinum Partners shows up to present.

6 They also told you they didn't know Seabrook was
7 getting compensated to get COBA to invest, and if they did,
8 they would have voted no. You also heard from Eli Kalter. He
9 was one of the Platinum presenters on January 13th. He also
10 came to present on January 29th, 2014.

11 What happened? COBA invested three times. The first
12 was the \$10 million that happened after the January 2014
13 meeting. The second was 5 million from the operating account
14 in June 2014, and the third was another 5 million towards the
15 end of July, beginning of August 2014, and that again was from
16 the annuity fund.

17 I am going to go through each of these investments
18 with you. When I do, I am going to point out how every stage
19 of each investment Seabrook caused COBA to give Platinum money
20 not because it was a great investment, but because he was
21 getting paid to do it. The things I am going to focus you on
22 are:

23 First, the nature of the investment. The evidence
24 showed you this was a totally out of the ordinary investment
25 for the annuity fund and for COBA to invest in. A hedge fund

HB7JSEA2

Summation - Mr. Nawaday

1 is a risky investment and COBA had never before in its history
2 invested in something like that. It had risks that the annuity
3 fund should not be taking. Howard Wien, the lawyer for the
4 annuity fund, wrote that letter, and in that letter he said --
5 the letter, by the way, not one of the Board of Trustees
6 besides Norman Seabrook saw. In that letter he said that hedge
7 fund is an unusual investment for retirement funds and that no
8 other benefit fund like COBA's benefit fund in New York City
9 had invested in this type of hedge fund ever. So, yes, it was
10 an odd investment.

11 Second, the other thing I am going to focus you on is
12 the timing of the investments, the emails you have seen leading
13 up to the investments. You have already seen the emails and
14 the phone contact back-and-forth between Rechnitz and Seabrook
15 and Rechnitz and Huberfeld after the Dominican Republic trip.
16 You are also going to see there was that same back-and-forth
17 communication each time COBA invested.

18 Third, I want you to focus on everything that Seabrook
19 kept from the other COBA officers. You'll see that in each
20 step, at each investment, Norman Seabrook made sure to keep
21 critical information from the other union officials.

22 Let's start on January 13th, 2014. What happened?
23 Well, all the trustees of the annuity fund, they basically told
24 you the same thing. Platinum came to pitch. This was the
25 first time any of them had heard of Platinum. None of them

HB7JSEA2

Summation - Mr. Nawaday

1 exactly knew what Platinum invested in or what a hedge fund
2 even was. Norman Seabrook, he was the one leading the meeting.
3 He was the one who did most if not all of the talking and he
4 was the one who drove that investment.

5 What was decided at this meeting after Platinum
6 Partners came to pitch?

7 What was decided was -- and you have this as
8 Government Exhibit 310 -- it was decided that the fund's lawyer
9 and investment advisor would do some due diligence, and then if
10 it came back, the due diligence came back okay, Norman Seabrook
11 was authorized to invest up to \$10 million.

12 First off, who came up with the \$10 million number?
13 Norman Seabrook.

14 Second, did any of the COBA witnesses who were at this
15 meeting know that Seabrook had a relationship with anybody
16 associated with Platinum or that Seabrook was the one who
17 coordinated setting up this meeting? No.

18 Third, the board resolution says only after due
19 diligence is conducted, and if it comes back okay will they
20 make the investment.

21 That leads to the next point of how you know Norman
22 Seabrook was pushing this not because it was a great
23 investment, but because he was getting paid. He kept vital
24 information. He kept this letter from the other board members,
25 Government Exhibit 1072, this letter which set forth four

HB7JSEA2

Summation - Mr. Nawaday

1 distinct concerns that the fund's lawyer had with this
2 investment. It is addressed to the trustees, and guess what,
3 Norman Seabrook never told them about this lever, never sent it
4 to them. You know what those concerns were. The first concern
5 was the one I mentioned before, no other benefit fund in New
6 York City invested in hedge funds like this.

7 Second, if there is fraud, COBA's going to have
8 trouble getting that money back.

9 Third, there was a conflict of interest problem with
10 COBA investing in the fund.

11 Fourth, and this is important, fourth, the concern
12 that when COBA invests in Platinum, it has to tell Platinum we
13 can lose all our money, it's okay.

14 What does Howard Wien, the lawyer, tell in this letter
15 to the trustees who he thought the trustees were going to get
16 this? He says that the fund should not make that
17 representation. The fund cannot make the representation that
18 it can lose all its money.

19 Remember what Elias Husamudeen said. He said he never
20 saw this letter even though it was addressed to the trustees,
21 but only sent to Seabrook. He told you had he seen these
22 issues, he would not have let a dime of COBA's money go to
23 Platinum.

24 Mike Maiello and Amelia Warren also said they never
25 saw this letter. Seabrook never told them about any of these

HB7JSEA2

Summation - Mr. Nawaday

1 concerns. Again why would Norman Seabrook keep this from the
2 other trustees? Because they would vote against it and he
3 wouldn't get paid.

4 Now, I expect Mr. Shechtman will argue that yes,
5 Seabrook made a mistake, he should have shown this to the
6 trustees, but no harm, no foul because the concern resolved.
7 It was resolved by the professionals. Were they? Look at this
8 subscription agreement that Norman Seabrook signed for the 10
9 million. In that subscription agreement at the bottom you see
10 guess what? COBA represents to Platinum don't worry about it,
11 we can lose all our money even though the Wien letter told the
12 fund that the fund should not make that representation.

13 Once this information was kept from the trustees, it
14 was easy for Seabrook to push through that first 10 million.
15 You also know that during the weeks before this, Rechnitz was
16 still playing middleman between Huberfeld and Seabrook to make
17 sure the deal happened.

18 On this point again you have the phone summary chart,
19 Government Exhibit 505. What does that show you? The day
20 after, the day after the January 13th meeting there is phone
21 contact between Seabrook and Rechnitz and Huberfeld and
22 Rechnitz. Again did the COBA members, the COBA union officials
23 know about this relationship, and was it copied on any of the
24 emails? No. Norman Seabrook kept all of that from them. You
25 know why he did it.

HB7JSEA2

Summation - Mr. Nawaday

1 Let's move on to the next investment Seabrook
2 orchestrated as part of this scheme. The next one was in June
3 2014. That is the investment from COBA's operating account.
4 Everything that you have seen and heard about this investment
5 shows you that Norman Seabrook made this investment happen for
6 one reason alone: Because he was getting paid.

7 First look at the way the investment was made. Norman
8 Seabrook did it by himself in secret without telling a soul at
9 COBA about it before he did it.

10 Now let's look at when the idea of this second
11 investment first came up and who knew about it. You have this
12 email from Jona Rechnitz to Murray Huberfeld May 1st, 2014, a
13 full month before the June 2014 investment. Rechnitz writes to
14 Huberfeld on May 1st, Norman, 20 more coming, maybe talk later.
15 Even as early as May 1st there is talk about a new COBA
16 investment, and that talk is with Huberfeld and Rechnitz.

17 By the way, you also have the phone contact between
18 Rechnitz and Huberfeld, Rechnitz and Seabrook in the days and
19 weeks leading up to the June investment. These are similar
20 contacts that you saw before the January meeting.

21 What happens after, a couple of weeks after that May
22 1st email you just saw? You saw that Rechnitz was right,
23 Norman was on it, there could be more money from COBA. You
24 know that from Government Exhibit 1080. At the bottom it is
25 highlighted. That is Howard Wien emailing somebody at

HB7JSEA2

Summation - Mr. Nawaday

1 Platinum, and he says in Point 2, Norman has instructed me to
2 investigate the investing union as opposed to the enough money.
3 He tells me he spoke with Platinum officials about this.
4 Please forward any appropriate documentation.

5 What is the date of this email? It is May 15th, close
6 to three full weeks before Seabrook actually sends the money by
7 himself to COBA, and you have this in Government Exhibit 315,
8 the letter to Hudson Valley Bank to have \$5 million transferred
9 from COBA's rainy day account to Platinum.

10 Remember Mike Maiello told you he didn't know about
11 this wire transfer. He signed this letter after it had already
12 been done. So ask yourselves at any point in May 2014 did
13 Norman Seabrook tell any other COBA board member that he was
14 arranging to make this investment? No.

15 Did he consult with anyone from the COBA board about
16 it? No.

17 What else do you have showing that did anybody from
18 COBA except Norman Seabrook know about this investment? You
19 have Government Exhibit 1035. So about two weeks before the
20 investment is made, Uri Landesman from Platinum tells another
21 Platinum person Norman allegedly coming in here to sign papers
22 next week. No calls to anyone there, please. Why can't anyone
23 from COBA know about this? You also know that none of the
24 other COBA officials knew about this.

25 Second, look at where the money came from. It is from

HB7JSEA2

Summation - Mr. Nawaday

1 COBA's operating account, an account that every COBA witness
2 told you it is for COBA's operations, not for investing, and
3 you have seen the effect of what Norman Seabrook did on his own
4 on that account. You have seen this chart. This chart sets
5 forth the daily balances of COBA's account money, and the
6 specific account he took the money from was the rainy day fund,
7 and look what happened to it. It went from about \$5 million to
8 300,000.

9 I cannot emphasize enough how telling this investment
10 is. Norman Seabrook took money from a reserve fund that was
11 never to be invested at all, he took almost all of that money
12 and he invested it in Platinum all by himself, plunging it into
13 a risky hedge fund before anyone could stop him.

14 Do people making rational decisions do that? Do
15 people exercising their fiduciary duties to their union do
16 that? You know who does that; people with secret motives.

17 You know that Seabrook and why Seabrook was doing
18 that, because he was trying to get money to put in his own
19 rainy day fund. Then we have the last \$5 million investment in
20 late July early August 2014. This 5 million was from the
21 annuity fund again, and Seabrook used the same M0. Again the
22 annuity fund trustees told you about the same thing. They told
23 you there was a meeting on July 29, 2014, and here are the
24 board minutes from that meeting. It is like the other times
25 you see it was resolved that money would be invested in

HB7JSEA2

Summation - Mr. Nawaday

1 Platinum, \$5 million.

2 And again who set up this meeting? Norman Seabrook.

3 Who came up with the \$5 million number? Norman Seabrook.

4 By the way, you know it was Norman Seabrook who set up
5 the meeting, in the very least it wasn't Tommy Reynolds, the
6 investment advisor because you have this email. There it is,
7 the 5 million. This is Government Exhibit 1046. It is an
8 email from Tommy Reynolds at Platinum and other investment
9 managers of COBA telling them come in, give a review to the
10 annuity fund board.

11 You notice the top email Tommy Reynolds on July 25th
12 tells everyone the times to present, they should get at least
13 15 minutes and Uri Landesman or Andy Kaplan writes that Uri and
14 he are in Asia and can't make the meeting. Uri Landesman was
15 the regular person from Platinum that would update the COBA
16 annuity fund board about how the investment was doing. Tommy
17 Reynolds writes I found out the same day as you. Try to have
18 someone there just for a quick review.

19 You also have phone contact showing you the contact
20 before this meeting between Seabrook and Huberfeld and
21 Huberfeld and Rechnitz, and now you're actually starting to see
22 direct contact between Seabrook and Huberfeld. Again, does
23 anyone at COBA know about this back room dealings between
24 Seabrook and Rechnitz and Huberfeld? No.

25 There is also something else that is interesting about

HB7JSEA2

Summation - Mr. Nawaday

1 the July 29th meeting. Oh, by the way, I missed this. Look at
2 the timing of these calls between Seabrook and Huberfeld and
3 Seabrook and Rechnitz and actually even with Jeremy Reichberg.
4 You see that the July 29th meeting ended around 11:45 am, and
5 who does Seabrook, Norman Seabrook, call at the end of the
6 meeting? Only 8 minutes after the meeting ends, he calls
7 Murray Huberfeld. Then he calls Jeremy Reichberg. Then he
8 calls Jona Rechnitz.

9 There is also something else that is interesting about
10 the July 29th meeting besides the fact it was set up by Norman
11 Seabrook, besides that phone contact right after the meeting.
12 What was the purpose of the meeting? You saw Government
13 Exhibit 1046, where Tommy Reynolds tells everyone try to have
14 someone there just for a quick review. So it was just an
15 update meeting.

16 What does Uri Landesman write to Gilad Kalter, a
17 snippet of email you saw earlier where some of it didn't come
18 out in the highlighting.

19 Uri Landesman writes Gilad Kalter, the person from
20 Platinum who is going to sub in for him, I think you'll only
21 get 10 minutes. Don't pitch for more. Norman will handle that
22 after you leave. Don't pitch for more. Norman's going to
23 handle that after you leave. This is pretty damning.

24 Platinum knows that all they need to do is give an
25 update to COBA. They don't even need to ask COBA for more

HB7JSEA2

Summation - Mr. Nawaday

1 money. They don't need to pitch for more. They've got Norman
2 Seabrook, their inside man, he's going to take care of it.

3 Did the fund end up investing? Of course it did. You
4 have the subscription paperwork Norman Seabrook signed for that
5 million. You have Government Exhibit 1504 in which the
6 parties all stipulate that all of these investments happened
7 and they all involved interstate wires.

8 So you've seen from the emails, the testimony of the
9 COBA executives and the evidence that each time Seabrook was
10 the one orchestrating COBA's investment in Platinum, Seabrook
11 hid his relationship with Platinum, Rechnitz and Rechnitz from
12 the other officers and kept that information from them and
13 invested \$5 million from the operating account all by himself.
14 You know why.

15 Also you know why after the first 10 million does he
16 keep doing it? Does he do it so he can keep bringing more
17 money to Platinum? There is a simple reason for that. Because
18 of the formula. Because Seabrook's end-of-the-year kickback
19 was based on how much COBA money he brought. Seabrook was
20 going to get paid each year and every year that COBA had money
21 in Platinum.

22 Also who is the one who decides the formula? Not Jona
23 Rechnitz. It is Murray Huberfeld.

24 So what happened after Norman Seabrook delivered the
25 last \$5 million of the annuity fund money to Platinum?

HB7JSEA2

Summation - Mr. Nawaday

1 Seabrook started pressuring Rechnitz. The end of the year was
2 coming and guess what, Seabrook wanted to get paid, and that
3 makes sense. Seabrook had done his part. He brought millions
4 of dollars of COBA's money to Platinum. Now it is time Norman
5 Seabrook got paid.

6 So what did Rechnitz do? He went to the man who
7 agreed to pay Seabrook, Murray Huberfeld. What did Murray
8 Huberfeld say when Rechnitz told him Seabrook needed to get his
9 first payment? Huberfeld told Rechnitz that the fund had not
10 performed as well as they had hoped and Seabrook's cut was only
11 going to be about 40 or \$50,000. Huberfeld could kick in an
12 extra \$10,000.00 for the first, so the total would be 60,000.

13 This was going to be a big problem. Seabrook was
14 expecting at least a hundred thousand dollars. So what did
15 Huberfeld do? He came up with a new formula to keep Seabrook
16 happy. He told Rechnitz that the new formula would be based on
17 how much money COBA had with Platinum and wouldn't depend on
18 profits, plus Seabrook would be paid throughout the year.

19 Rechnitz knew that Seabrook was going to be very
20 unhappy about the \$60,000, but he thought he could sell him
21 with this new formula. So everything was set, but there is one
22 more thing to figure out. How was Huberfeld going to be able
23 to pay Seabrook? He couldn't just have Platinum cut Seabrook a
24 check, for obvious reasons.

25 Rechnitz told Huberfeld when he has cash on hand to

HB7JSEA2

Summation - Mr. Nawaday

1 pay Seabrook and would be happy to pay Seabrook from that cash,
2 but he wanted to make sure Murray Huberfeld was going to pay
3 him back. So how was that going to happen?

4 So what did they settle on? Huberfeld suggested using
5 Rechnitz's courtside season tickets for the Knicks as a cover.
6 So Rechnitz had his assistant create this fake Knicks invoice
7 to Platinum. That is government Government Exhibit 1064. It
8 is created, the first page of Government Exhibit 1064, and sent
9 to Rechnitz around 6:27 pm on December 11th, 2014. Only three
10 minutes later, Rechnitz forwarded the exhibit to Murray
11 Huberfeld. You may have noticed that Rechnitz forwarded this
12 email twice to Murray Huberfeld. He sent it at 6:30 pm and
13 then again at 6:34 pm, the same invoice twice.

14 Rechnitz is sending this invoice to Huberfeld because
15 Huberfeld was the man who was going to reimburse him for the
16 \$60,000 that he was going to pay to Norman Seabrook on
17 Huberfeld's behalf.

18 So what does this show you? It shows you this fake
19 invoice was created and sent to Huberfeld on the same day of
20 the cash hand-off to Seabrook. In fact, it was sent to him
21 only about an hour before Jona Rechnitz met with Seabrook, and
22 was it a fake invoice? Of course it was. Let's look at the
23 many, many ways you know that that invoice was fake and created
24 to cover up the cash payment to Seabrook.

25 First, this is Government Exhibit 204, this an invoice

HB7JSEA2

Summation - Mr. Nawaday

1 from Neco, Nationals Event Company, the company that Jona
2 Rechnitz bought the season tickets from, and this sets forth,
3 Government Exhibit 204 sets forth all the games Jona Rechnitz
4 had for the New York Knicks for that season.

5 Let's first look at the face value of these tickets.
6 So for two tickets, it is \$6,800 a ticket. So remember the
7 Knicks invoice, fake Knicks voice to Platinum was for 8 games.
8 So for 8 games, let's do the math, 6800 times 8 is only
9 \$54,000. So there is no way that fake invoice was based on
10 face value. So you know it was fake.

11 Even the resale value of the tickets wouldn't add up
12 to \$60,000. You saw Government Exhibit 210. It is an invoice
13 showing Rechnitz sold three pairs of tickets to a ticket
14 reseller named Great Seats. By the way, these are three
15 tickets that he presumably, among the items, were presumably
16 what he sold to Huberfeld and Platinum, so the Golden State
17 Warriors game, Cavaliers game, Spurs game, and how much does
18 Jona Rechnitz get for these tickets? Only \$11,000.

19 So at this resale cost, then Rechnitz should have only
20 gotten maybe \$30,000 from Platinum if those were real tickets
21 being sold to Platinum. You also have the testimony of Gilad
22 Kalter. He told you at Platinum he's the one who organizations
23 buying Knicks tickets for other people at Platinum. So why
24 would Murray Huberfeld have Platinum pay Rechnitz for \$60,000
25 worth of tickets when Gilad Kalter is taking care of tickets

HB7JSEA2

Summation - Mr. Nawaday

1 for Platinum?

2 You know why, because this was a sham invoice. There
3 were no real tickets. This was a way to cover up the scheme.

4 Finally, you have these. You have the invoice from
5 NECO showing the Knicks games that Jona Rechnitz had and then
6 you have images from many, many of those games. Those images
7 show you that no one from Platinum went to those games. Murray
8 Huberfeld didn't go to those games. It was either Jona
9 Rechnitz, a friend of Jona Rechnitz, or somebody who bought
10 tickets from Jona Rechnitz other than Platinum or Huberfeld.

11 For example, you have the November 2, 2014 game
12 between the Knicks and the Hornets. Who is sitting in those
13 seats that was supposedly sold to Murray Huberfeld and
14 Platinum? Jona Rechnitz.

15 The next game. 76ers and Knicks, Jona Rechnitz.

16 How about this Miami Heat-Knicks game? That is
17 Fernando Mateo, someone who Jona Rechnitz gave the tickets to.

18 The next game, Jona Rechnitz again. These four people
19 from a stipulation, those four men actually got the tickets
20 from somebody who bought the tickets from Jona Rechnitz, and
21 that is in the stipulation you have. It goes on and on and on.
22 All of this evidence makes one thing pretty clear; that it is a
23 fake invoice. Why is Murray Huberfeld approving a sham
24 invoice? So once the details of the Knicks invoice was set,
25 what happened next?

HB7JSEA2

Summation - Mr. Nawaday

1 It is time Norman Seabrook got paid. Here it is hard
2 to see, but we are going to walk through each piece of evidence
3 in detail. This is a timeline of December 11, 2014 and all of
4 the pieces of evidence showing you what happened that day. So
5 let's walk through it.

6 First you learn that Seabrook and Rechnitz had plans
7 to go to a Torah dedication ceremony together that day in
8 midtown. You see that in Government Exhibit 1061. There is
9 the calendar entry. You also know that they also had plans to
10 meet with Philip Banks and another NYPD officer, an official
11 Mike Harrington before the dedication ceremony at La
12 Brrochette, a restaurant near 580 5th Avenue where Jona
13 Rechnitz's office was.

14 Next you have a phone contact from earlier that day
15 that shows Seabrook calling Rechnitz, Rechnitz calling Seabrook
16 back, Rechnitz calling Huberfeld, Huberfeld calling Rechnitz,
17 and Rechnitz calling Seabrook. This makes sense. What is
18 going on with these calls?

19 Rechnitz is coordinating with Huberfeld to make sure
20 there is a way for him to give him the invoice. They're
21 talking about the fake invoice, and on the other end of the
22 deal he is coordinating with Seabrook to make the money drop
23 before the prearranged plans to meet for dinner and Torah
24 ceremony.

25 What happens next? You see 5:48 pm Huberfeld calls

HB7JSEA2

Summation - Mr. Nawaday

1 Rechnitz. Why? You know why. He is calling Rechnitz to know
2 if Rechnitz's fake Knicks invoice works, let's do it. What
3 happens just two minutes later, 5:50? Rechnitz calls Seabrook.
4 He tells Seabrook he is going to have something for him so they
5 should meet before dinner. Then what happens?

6 Well, Rechnitz needs to dress this up because Seabrook
7 is going to be upset there is not going to be that much money,
8 so Rechnitz goes to the Salvatore Ferragamo store only several
9 blocks from his office to do what? To get Seabrook a nice bag
10 to put in, to put and transport that \$60,000. Again you have
11 the receipt from that bag. You have the time he bought the
12 bag, 6:02 pm. So only about 15 minutes after Jona Rechnitz
13 speaks with Huberfeld and Seabrook, he buys the bag.

14 So what happens next? Rechnitz walks back to his
15 office at 580 5th Avenue to get the \$60,000 from his office
16 safe to put in the back.

17 When you saw when he got back to the office about 13
18 minutes later, and that is Government Exhibit 1304, the video
19 from outside 580 5th Avenue, this showing you Jona Rechnitz
20 walking into his office building with this bag. There is the
21 bag. Again you can see it. It is Jona Rechnitz's emailing on
22 his iPhone walking into his building.

23 I want to go back to this still, Government Exhibit
24 1404A. I want to remind you of something I believe Mr.
25 Shechtman said in his opening statement. He said that he

HB7JSEA2

Summation - Mr. Nawaday

1 agreed on this date Norman Seabrook met Jona Rechnitz, had
2 dinner with him and went to a ceremony afterwards. He even
3 agreed that Rechnitz gave him that bag, this bag, but according
4 to Mr. Shechtman, that was a gift. It didn't have any cash in
5 it.

6 You know something about this bag? Is it in a nice
7 Ferragamo shopping bag? If you give somebody a gift, don't you
8 put it in a nice bag and have it gift wrapped? Look how Jona
9 Rechnitz is carrying it. He is carrying it in a way that it is
10 going to be used, because it is going to be used to transport
11 cash. The gift that Norman Seabrook was expecting was not the
12 bag, it was the cash inside of it.

13 You also have the video showing 15 minutes after he
14 walks into the building, he walks out with the bag after he
15 stuffed the bag with cash, and there is Jona Rechnitz walking
16 again with the bag. There are stills, Government Exhibit 1405A
17 and B. It is only 15 minutes after he walks in with the bag,
18 he walks out with the bag.

19 By the way, what is Jona Rechnitz doing as he is
20 walking out with this bag? He is checking his phone, he is
21 checking his email. You know, you remember that at 6:27 pm his
22 assistant had forwarded a fake Knicks invoice to him, and then
23 pretty soon after this, right now it is 6:29:36 seconds, only
24 less than 30 seconds later Jona Rechnitz is going to forward
25 that email to Murray Huberfeld. He is thinking and doing

HB7JSEA2

Summation - Mr. Nawaday

1 things related to this plan. That's what he is doing and that
2 is what the evidence shows.

3 Then what happens at 6:33 pm? Again from the phone
4 summary chart, Government Exhibit 508, you see at 6:33 pm
5 Huberfeld calls Rechnitz. Why? You know why. He is checking
6 in about the hand-off. I submit to you Huberfeld is following
7 up on the Knicks invoice because he didn't get it in his email
8 yet. How do you know that? Because you saw only one minute
9 later, at 6:34 pm, Jona Rechnitz resends the invoice. He does
10 what all of us have done numerous times, send someone an email,
11 they call us up, where is it? You resend it.

12 Then what happens? Rechnitz walks to meet Seabrook at
13 La Brochette. They plan to have dinner there with Banks,
14 Jeremy Rechnitz and Bill Harrington, and you see what happens
15 around 6:40 pm. You know that because Rechnitz calls Seabrook
16 around 6:40 pm. He is telling him where are you? I have
17 something for you.

18 He finds Seabrook and gets into Seabrook's car, this
19 car, this car that only about 30 minutes earlier had driven
20 into Manhattan. What is Seabrook's reaction when he gets this
21 bag with money? Well, he is upset. It is not as much money as
22 he expected, but he takes it anyway.

23 What happens next? They have dinner at La Brochette
24 across the street, and then you'll see more phone contact
25 between Rechnitz and Huberfeld. First Rechnitz calls Huberfeld

HB7JSEA2

Summation - Mr. Nawaday

1 at 7:03. Huberfeld calls back at 7:36. You know why they're
2 reaching out to each other. Huberfeld wants to know did you
3 make the hand-off? Was he okay with it?

4 Then the group goes out to the Torah dedication
5 ceremony. What happened in the next couple of days? Jona
6 Rechnitz, he got his money back. He got the \$60,000. You see
7 that in Government Exhibits 1066 and 105. 1066 is the email
8 back-and-forth with Rechnitz's assistant to make sure that he
9 got the check for the Knicks invoice and the charity checks
10 that he was also going to be given by Murray Huberfeld from
11 Murray Huberfeld.

12 What happened after this first kickback? Was the
13 scheme over? No. It continued. There was a new formula to
14 calculate Seabrook's cut, and you saw evidence that Murray
15 Huberfeld was still hungry for more COBA money even in 2015.
16 Norman Seabrook, he continued to maneuver to get that money to
17 Huberfeld.

18 I want to pause here and talk about Murray Huberfeld's
19 motivations for paying a bribe to Seabrook to get COBA to
20 invest. I expect Judge Carter is going to instruct you that
21 the government doesn't have to prove motive. It is not an
22 element of either offense. By the way, Judge Carter is the one
23 who will instruct you on the law. If I say anything
24 differently, follow what he says, but I expect that he is going
25 to tell you we don't have to prove motive, but it gives you

HB7JSEA2

Summation - Mr. Nawaday

1 confidence.

2 You have seen evidence of Murray Huberfeld's motive
3 for doing this. His motive was as plain as two words: Subs
4 and reds, subscriptions and redemptions. What do I mean?

5 You have seen significant evidence that the fund COBA
6 invested in, the PPVA fund, had a simple but serious problem.
7 More money was going out than was coming in. You heard Gilad
8 Kalter tell you about subscriptions and redemptions. A
9 subscription is when a new investment comes in, it is called a
10 sub. A redemption or red is when an investor wants their money
11 back, so the fund has to pay back money.

12 You have seen emails and other documents that showed
13 you that in 2013 through 2014, the PPVA fund, the same fund
14 that COBA invested in, was having problems where there were
15 more reds, more money going out than subs, and Huberfeld was
16 aware of that problem.

17 Look at Government Exhibit 1002. That is from August
18 2013 from Mark Nordlicht to Murray Huberfeld's Gmail account.
19 He attaches a spreadsheet and he tells Huberfeld please note
20 subs versus reds. Need for new direction is clear. Now, if
21 you're getting a lot of money, do you need a new direction? It
22 is when there are reds going out, more redemptions than
23 subscriptions, that is when you need a new direction.

24 You also know that from Government Exhibit 1041, this
25 is in June 2014, an email from Mark Nordlicht to Uri Landesman,

HB7JSEA2

Summation - Mr. Nawaday

1 and he blind-copies Murray Huberfeld again. What does Mark
2 Nordlicht say? He says I think we need to revamp the strategy
3 on PPVA. It can't go on like this. We will need to wind down.
4 This is not a rhetoric thing, it's just not possible to manage
5 net outflows of this magnitude. I think we can overcome this,
6 but this is a code red. We need to be very aggressive if we
7 want to stay open. We can't pay out 25 million in reds per
8 quarter and have 5 come in. So this was a real problem.
9 Murray Huberfeld knew it.

10 Also look at the date of this email. It is June 16th,
11 2014. So it is only about 11 days -- actually, less than that,
12 maybe 9 days after Norman Seabrook had already worked his magic
13 again. He went behind the COBA board's back and brought that
14 \$5 million of COBA's reserve money, its operating account money
15 to Platinum. It is also six weeks before Norman Seabrook does
16 it again, another 5 million to Platinum Partners at the end of
17 July, beginning of August. Now, why would Huberfeld care what
18 happens to PPVA? You also saw that he had his own money and
19 his family's money tied up in that fund. You saw it from these
20 charts from the fund administrators, SS&C.

21 You also saw Murray Huberfeld's interest in PPVA with
22 this, it is Government Exhibit 804, it is a binder labeled
23 Platinum Management NYC LLC Management Company Agreements.
24 Those agreements showed you that Murray Huberfeld got a
25 percentage of the management fees of Platinum Partners. He got

HB7JSEA2

Summation - Mr. Nawaday

1 it through an entity called Manor Lane. You see here this is a
2 page from Government Exhibit 804. It says that Mark Nordlicht
3 Management is going to give a passive interest in Platinum
4 Management to Manor Lane. Who owns Manor Lane? It is also in
5 Government Exhibit 804. You have the Manor Lane agreement
6 which says the business affairs of Manor Lane is managed by
7 Murray Huberfeld, and it is signed by Murray Huberfeld and
8 Laura Huberfeld.

9 So of course Murray Huberfeld had an interest in
10 making sure a code red situation at Platinum Partners, at the
11 PPVA fund was taken care of by bringing in more money because
12 he is getting a percentage of the fees.

13 Seabrook's motives are equally obvious. You saw this.
14 This is the Mohegan Sun win-loss statement of Seabrook's
15 gambling wins and losses as well as a chart created from that
16 win-loss report. Seabrook was gambling, but he wasn't a
17 winner. In 2014, he lost close to \$41,000. That is a lot of
18 cash. Speaking of cash, you have this chart showing you large
19 cash deposits into Seabrook's bank accounts in the months after
20 the hand-off that continued until about May 6th, 2015. You see
21 in January 2015, right after the hand-off, you see those large
22 deposits in cash. Where did that cash come from? You know it
23 was bribe money.

24 Now I want to address an argument I expect Mr.
25 Shechtman will make about that chart and how it didn't include

HB7JSEA2

Summation - Mr. Nawaday

1 cash withdrawals, and with a lot of flare and drama, Mr.
2 Shechtman showed you a chart that included cash withdrawals.
3 He showed you this. Now, I appreciate Mr. Schechtman's
4 showmanship, but lets pull back the curtain just a little bit.

5 I will ask you a question. Why do cash withdrawals
6 matter? Is he trying to say that Norman Seabrook, after
7 depositing a bunch of cash into his bank account, that Seabrook
8 then withdraws it to keep in his house? By the way, who does
9 that? Who withdraws lots of cash that is already sitting
10 safely in the bank just to keep it in your house?

11 When you withdraw cash from your bank, what do you do
12 with it? You spend it. Guess what? That's what happened
13 here.

14 I have highlighted here on Defense Exhibit NS PPPA the
15 January-February cash withdrawals which shows about \$2,008.00,
16 I think in January and \$5,011.98. By the way, I am going to
17 show you the actual bank statements that link to that account
18 for cash withdrawals for those months. It wasn't just one old
19 cash withdrawals. There were multiple cash withdrawals, which
20 makes sense.

21 Let's start. First we have here this is the January
22 2015 to February 2015 bank statement that relates to those cash
23 withdrawals for the month of January to February that you saw
24 on the defense exhibit. This is the first page. It shows that
25 account had about \$1100 at the beginning of the month and I

HB7JSEA2

Summation - Mr. Nawaday

1 believe about 3,000 at the end. Here are the actual cash
2 withdrawals that total up to that, those numbers on the other
3 chart, the defense exhibit.

4 First you see here on January 23rd there is an ATM
5 withdrawal about \$1,004.50 which reduced the balance to \$21 in
6 that account. Where does that cash withdrawal happen? It
7 happens at Mohegan Sun. So did Norman Seabrook withdraw this
8 cash in Mohegan Sun and race out to his house to put the cash
9 in his house? Of course not.

10 You see that is the same thing with everything else
11 that is set forth on this exhibit, and the amounts from the
12 ATM, that is spending money. He is not putting the money in
13 his house. He is spending it. You also have April, basically
14 the same thing. It is not the total you see on the defense
15 exhibit. It is made up of multiple cash withdrawals, spending
16 money.

17 I also expect Mr. Shechtman will talk about another
18 defense exhibit that he didn't go through when he entered it
19 into evidence. It is I believe Defense Exhibit QQQ. It is a
20 credit Union Bank statement in Mr. Seabrook's name, and you'll
21 see -- this is the defense exhibit, NS QQQ, and this is the
22 credit union statement from March 2016. You will see that
23 there is about a thousand dollars in the account.

24 Then you'll see in April there is a loan amount 1943.
25 You will see how that came about on the third page at the top,

HB7JSEA2

Summation - Mr. Nawaday

1 loan disbursed \$20,000. So he has got \$20,000 in April, he
2 took out a loan for \$20,000. What does he do? You see on
3 April 14th, this is the second page, he took out \$13,000 and
4 then he took out on April 27th another \$7,000.

5 I expect Mr. Schechtman will argue look that is the
6 money in the house. He took that money and put it in the
7 house. You know it isn't because you have this, Government
8 Exhibit 821. This is an invoice seized during the search of
9 Seabrook's home. What does it show? It shows that soon after
10 that \$20,000 was taken from the credit union, \$20,000 that came
11 from the loan, Seabrook paid a contractor to do some work on
12 his home which totaled, if you count it up, \$21,000.

13 So what was Mr. Schechtman's point by making you look
14 at cash withdrawals? Like said earlier, I think it was to
15 distract you, to distract you from what's important. The
16 question isn't where is Seabrook spending the cash he takes out of
17 the bank. That is what people do when they take cash out of
18 the bank, they spend it.

19 The question is, where is the cash he is depositing
20 coming from? And you know where it comes from, just like you
21 know where he got the \$7,000 to pay off his Mohegan Sun marker
22 towards the end of January 2015. You also know why big cash
23 deposits stopped in May 2015, because special agent Jennifer
24 Ranucci told you that on May 21st, 2015, grand jury subpoenas
25 were issued to COBA and Platinum asking for documents about the

HB7JSEA2

Summation - Mr. Nawaday

1 COBA investments.

2 Ask yourselves if there is nothing wrong with the bank
3 making cash deposits, nothing illegal about it, why do you stop
4 around the time grand jury subpoenas are issued?

5 So now let's turn back to what happened after the
6 payoff. In January 2015 you saw Huberfeld still wants more
7 COBA money, and Rechnitz, he starts to drift out of the
8 picture. Why? Well, first, in January 2015 Rechnitz is out of
9 town. He is in LA. Then later in 2015, around February, he
10 gets a visit from law enforcement related to his dealings with
11 Hamlet Peralta and NYPD. He breaks off contact with Seabrook.

12 That doesn't mean the scheme stopped. Remember
13 Seabrook had a new formula and Murray Huberfeld needed more
14 money. You can listen to Huberfeld himself talk about it, a
15 call we played a snippet of earlier. We'll play the whole
16 call. It is Government Exhibit 905.

17 (Government Exhibit 905 was played)

18 (Continued on next page)

HB7TSEA3

Summation - Mr. Nawaday

1 MR. NAWADAY: Right here we hear Murray Huberfeld
2 telling Jeremy Reichberg's he's under pressure, he needs more
3 money from COBA.

4 He also says it's going to be a big favor for me,
5 because by the time Jona Rechnitz gets back, it will be too
6 late, he needs the money.

7 You also have this call, Government Exhibit 907.

8 (Audio recording played)

9 MR. NAWADAY: So what happens? What can you see and
10 hear from this call? First, you know that Murray Huberfeld
11 just met in person with Seabrook. Norman Seabrook came to see
12 him in person. And you know that Murray Huberfeld and Norman
13 Seabrook have seen each other before. You heard that evidence
14 that, in January, Seabrook came to a celebration for
15 Huberfeld's grandchild.

16 So after telling Reichberg that he just saw Seabrook
17 in person, Reichberg asked whether he spoke to him. Did you
18 speak to him? Yes. Sorry, Huberfeld asked: Have you spoken,
19 Reichberg to Seabrook? Reichberg says yes. Huberfeld says
20 tell me. Reichberg says: It's going to happen, but I don't
21 understand -- so why didn't say you, you couldn't say anything,
22 right? Nope.

23 So you know around this time Murray Huberfeld was
24 looking for money, and you also know from this call Murray
25 Huberfeld just saw Norman Seabrook in person, had a great

HB7TSEA3

Summation - Mr. Nawaday

1 interaction, they hugged, they kissed. Then Jeremy Reichberg
2 asked: Did you talk to him? You couldn't, right? And
3 Huberfeld says: Nope.

4 Let's sit on that for a minute. It's clear Huberfeld
5 wants more money, but there's an understanding that Huberfeld
6 won't ask directly, actually can't ask directly but has to go
7 through a middle man like Jeremy Reichberg. Why is that? It's
8 obvious. It's the reason you know why criminals use middle
9 men, so they don't get their hands dirty.

10 There's also the next call. By the way, before I get
11 to the next call, these calls are in 2015. You also have
12 evidence of why there are no calls in 2014. That evidence is
13 in the stipulation, the FBI only had wiretap starting in 2015.

14 So the next call is Government Exhibit 907 -- sorry,
15 912.

16 (Audio recording played)

17 MR. NAWADAY: So what does this call show you? A
18 couple of things. First, Murray Huberfeld is desperate for
19 money, more money from COBA. Second, again he tells Jona
20 Rechnitz, just like he told Jeremy Reichberg, he just saw
21 Norman Seabrook in person. In person.

22 But guess what? Murray Huberfeld didn't want to ask,
23 he wants Jona Rechnitz to ask for more money. I didn't want to
24 say anything, Norman give me 10 million for February 1st,
25 because I want you to do that, but he's ready to go. Again,

HB7TSEA3

Summation - Mr. Nawaday

1 why does he need Jona Rechnitz? Because he needs the middle
2 man, he needs the bag man. He doesn't want to get his own
3 hands dirty.

4 Another thing you see from this call, Huberfeld says
5 let me ask you a question: The guy is ready to put in 10
6 million. I could use it. Very important to me. Could you
7 make it? What is Rechnitz's response? I don't know how do it.

8 He says that because when you talk about bribe
9 payments, he's going to raise this with Norman Seabrook,
10 they're not going to talk about it on the phone. But for
11 Murray Huberfeld, that's not a problem. No, no, no, you're the
12 one dealing with it, and he knows Jona Rechnitz is the one who
13 will have to deal with as a middle man. Just ask him for the
14 money and tell him you'll see him next week.

15 So I'll pose the question again. If there's nothing
16 illegal going on, why doesn't Murray Huberfeld just ask Norman
17 Seabrook for the money himself?

18 These calls are devastating. You know why. You know
19 why he needs Jona Rechnitz, because that's the point of using a
20 bag man, that's the point of using a middle man. And I expect
21 Judge Carter will instruct you that in a conspiracy, different
22 people play different roles. You know what Murray Huberfeld's
23 role is, he's the one that pays the kickback. You know what
24 Norman Seabrook's role is, he's the one who delivers COBA's
25 investment to Platinum. And you know what Jona Rechnitz's role

HB7TSEA3

Summation - Mr. Nawaday

1 is, he was the middle man, he was the bag man.

2 And I don't know if you remember something Mr. Mazurek
3 said in his opening statement, he called Jona Rechnitz a cupid
4 for business people. I think that Mazurek got it half right,
5 Jona Rechnitz was actually a cupid for criminals, and two of
6 them are Norman Seabrook and Murray Huberfeld.

7 By the way, as 2015 continued, was Seabrook eager to
8 get Platinum even more money from COBA? He was, and you have
9 evidence that shows you that, like this, Government
10 Exhibit 1070, which is an email from Andrew Kaplan from Mark
11 Nordlicht. On May 19, 2015, Kaplan writing: Meeting with COBA
12 went great. Norman said he will send us money more money
13 shortly. Once again, it's Norman Seabrook in the driver's seat
14 at COBA. Mike writes: What does "shortly" mean?

15 And you'll have this in the email. Actually if you
16 look at 1070, the entire chain, Andrew Kaplan writes back -- in
17 Government Exhibit 1070, you could ask for it to look at it --
18 Andrew Kaplan writes back: I didn't want to ask. Couldn't
19 press him in the meeting in front of all.

20 Again, that's Government Exhibit 1070. It's the
21 response email to Mark Nordlicht, what does "shortly" mean?
22 Andrew Kaplan wrote back: Couldn't press it in the meeting in
23 front of all. Of course he couldn't press Norman Seabrook at
24 the meeting, or the other COBA officers would find out what was
25 going on. And you will also see that Huberfeld was forwarded

HB7TSEA3

Summation - Mr. Nawaday

1 this email, when you ask for Government Exhibit 1070, because
2 Murray Huberfeld was always kept in the loop.

3 You'll see as late as May 2015 Seabrook was willing to
4 give Platinum more COBA money, and you will see that he was
5 doing this now against his investment adviser's recommendation,
6 because you have this, an email from Tommy Reynolds to Norman
7 Seabrook at COBA from November 2014.

8 If you look at the body of the email, back in
9 November 2014, back when COBA had about \$20 million with
10 Platinum, Tommy Reynolds says: We would not recommend adding
11 to Platinum, as this investment is less liquid and is currently
12 20 percent of the annuity fund.

13 So back in November 2014, COBA's investment advisor is
14 saying no more to Platinum, yet five months later, Norman is
15 going to send more.

16 Did this May 2015 investment happen? It did. You
17 know why it did happen. Again, the FBI agent told you,
18 Jennifer Ranucci told you that just two days after this May 19
19 email about Norman Seabrook getting Platinum more money, two
20 days later grand jury subpoenas were issued. Then in June 2016
21 FBI agents searched Seabrook's house in the Bronx, COBA's
22 offices, Huberfeld's home and office. And you saw the evidence
23 recovered from the searches, all evidence, again, which proves
24 the defendants' guilt.

25 You saw the bag, same bag December 11, 2014. It's the

HB7TSEA3

Summation - Mr. Nawaday

1 bag that Jona Rechnitz was carrying into his office and out of
2 his office with the cash for Norman Seabrook.

3 You also have these Platinum folders, Platinum
4 Partners folders found in Seabrook's car. Again, why is he
5 driving around with these papers?

6 You have the Mohegan Sun receipt from January 2015
7 that shows Seabrook paid in cash, paid off the mark he owed to
8 Mohegan Sun.

9 And also you heard the testimony from the Mohegan Sun
10 witness who told you when he went to paid off that mark, he
11 didn't gamble, he didn't win any money.

12 Same thing goes for these other markers, that show
13 that in May 2015 Seabrook pays off \$6,000 he owes to Mohegan
14 Sun, and then in September 2015 he pays off another \$7,500,
15 both in cash. And the Mohegan Sun witness also told you those
16 days they have no record of gambling, that he won any money.
17 You also have the win/loss chart which shows you he wasn't
18 winning any money.

19 You also have this evidence, stacks of cash in his
20 house and his safe. You had 808A, it's got \$10,000 in it.
21 Mostly hundreds. You have got 808B, \$5,000, cash. And you've
22 got 808C, \$6,000 cash. You also have 811, \$5,600 cash. And
23 you have 809, thousand dollars cash.

24 Who keeps over \$27,000 in cash in their house? Where
25 did 215 \$100 bills in the safe come from? There's a

HB7TSEA3

Summation - Mr. Nawaday

1 stipulation, Government Exhibit 1513, with the money count.
2 Where did 50 \$100 bills from the closet come from? Seabrook
3 wants you to think it's gambling winnings, but you have seen
4 the win/loss reports, and it's pretty clear he didn't win any
5 money gambling. In 2014 alone he was down \$40,000. This is
6 bribe money.

7 And you also have the writing on the envelopes, 10M
8 and 5M on the envelopes. You know what 10M stands for, 10
9 million. 5M is the five million. How is it that 10M and 5M
10 are found on these envelopes filled with thousands of dollars
11 of cash? How is it that these numbers match the same amounts
12 that COBA invested? They're there because Norman Seabrook put
13 them there. It was the way for him to keep track of what he
14 had done for Murray Huberfeld at Platinum and what he expected
15 back for doing it.

16 At the beginning of this trial we told you we would
17 prove to you that Norman Seabrook and Murray Huberfeld united
18 together in a criminal scheme of pure greed. We told you that
19 we would show you that these two powerful men from different
20 corners of the city agreed to deplete the union members'
21 retirement money as a tool for their own personal gain. The
22 evidence is now in. That's exactly what we have proven to you.

23 Almost going to sit down. But before I do, let's talk
24 about the charges for a couple minutes. There are two charges
25 here, and we have proven the elements of both of them to you.

HB7TSEA3

Summation - Mr. Nawaday

1 Again, I'm only going to talk generally about the law and what
2 I expect Judge Carter to instruct you on the law, and please do
3 what he says if I say anything different.

4 I expect Judge Carter will instruct you that Count One
5 charges the defendants with participating in a conspiracy to
6 deprive COBA of the honest services of Norman Seabrook. All
7 that means is they agreed to commit a crime, and in particular,
8 the crime of honest services fraud, which is the crime charged
9 in Count Two. I'm going to start with the elements of Count
10 Two first.

11 So these are the elements that I believe in general
12 Judge Carter will instruct you on with respect to Count Two. I
13 believe Carter will instruct you that the government has to
14 prove these elements to prove that the defendants are guilty of
15 Count Two.

16 First, that there was a scheme to defraud COBA and its
17 members of their intangible right to Norman Seabrook's honest
18 services through bribery or kickbacks. I expect Judge Carter
19 to instruct you that a kickback scheme involves a union
20 official steering the business of his union to a third party
21 for exchange of something of value, that is, the government
22 must show there was a quid pro quo, which means a this for
23 that. A kickback is anything of value provided to a union
24 official in exchange for the promise of performance of an
25 official action.

HB7TSEA3

Summation - Mr. Nawaday

1 Second, I expect Judge Carter will instruct you that
2 we have to prove that Norman Seabrook knowingly and willfully
3 participated in that scheme with specific intent to defraud.

4 And third, that the scheme involved a material
5 misrepresentation or omission.

6 And fourth, that interstate wires were used in
7 execution of that scheme.

8 I want to point out that with Count Two, Murray
9 Huberfeld is charged as an aider and abettor, who is charged
10 with aiding and abetting Norman Seabrook with denying COBA of
11 its right to Norman Seabrook's honest services. I expect Judge
12 Carter will instruct you that to prove Murray Huberfeld aided
13 and abetted Norman Seabrook's crime charged in Count Two, that
14 you have to find that Seabrook committed that crime charged in
15 Count Two and that Murray Huberfeld aided and abetted that
16 crime.

17 Now I submit to you we have proven every single
18 element here. There was a scheme to defraud the members of
19 COBA of their right to Norman Seabrook's honest services.
20 Seabrook participated in that scheme. It involved a material
21 misrepresentation or omission. All the COBA witnesses told you
22 had they known about the secret kickback, they would have not
23 voted to invest. And by stipulation, all three of the
24 investments by COBA used the interstate wires. That's
25 Government Exhibit 1504.

HB7TSEA3

1 You also know that Murray Huberfeld aided and abetted
2 this crime. Count One charges conspiracy to commit honest
3 services fraud, and that crime I expect Judge Carter will
4 instruct you has two elements: First, that the conspiracy
5 existed; and second, that the defendants participated in that
6 conspiracy knowing it's unlawful purpose and in furtherance of
7 an unlawful object. Again, the same evidence that shows you
8 what actually happened also shows you that these defendants are
9 guilty of Count Two.

10 I'm about to sit down. We have been together for a
11 while. All of you have been very, very patient. You have been
12 very, very attentive. This is a serious case. It's about
13 serious crimes. When each witness comes in here to testify one
14 witness at a time, it can be easy to lose sight of the overall
15 picture of what it all means. But the overall picture that has
16 been painted for you over the last two weeks is simple:

17 Norman Seabrook and Murray Huberfeld agreed to violate
18 Seabrook's duty to the union, and they did it together. These
19 two men committed federal crimes. That is what happened in
20 this case, that is what you learned in this trial. That is why
21 the only verdict consistent with the law, the overwhelming
22 evidence you have seen and heard, and your common sense, is
23 that the defendants are guilty.

24 THE COURT: Okay, members of the jury, we're going to
25 now take our morning break. We'll take a 20-minute break.

HB7TSEA3

Summation - Mr. Schechtman

1 Don't discuss the case among yourselves or anyone else. Don't
2 read anything about the case. Don't let anyone discuss the
3 case with you, don't read anything involving the issues in this
4 case, and we'll see you in 20 minutes.

5 (Jury not present)

6 THE COURT: Let's give the jurors a three-minute head
7 start.

8 (Recess taken)

9 THE COURT: Counsel all here. Are the jurors all
10 here?

11 DEPUTY CLERK: Yes.

12 THE COURT: Okay, let's bring the jury in.

13 (Jury present)

14 THE COURT: Okay, please be seated.

15 Go ahead, counsel.

16 MR. SCHECHTMAN: May it please the Court, ladies and
17 gentlemen of the jury.

18 I want to begin by talking to you about the three men
19 at the center of this case. First, Norman Seabrook.

20 Mr. Seabrook was first elected president of the Corrections
21 Officers Benevolent Association In 1995, and he was reelected
22 in 1999, 2003, 2007, 2011, and 2016. Reelected five times.

23 You heard about his accomplishments during this trial;
24 significant pay increases for COBA officers, parity with police
25 and firefighters, better retirement benefits, better life

HB7TSEA3

Summation - Mr. Schechtman

1 insurance benefits, better health benefits, better legal
2 services, and legislative victories that ensured the correction
3 officers would not lose their jobs, that they wouldn't be
4 privatized, and they would be benefited if they were disabled.

5 And just as importantly, you heard what Mr. Seabrook
6 did along with the board of directors to raise the profile of
7 correction officers in this city so that the public would see
8 them for what they are, men and women -- dedicated men and
9 women doing one of the most dangerous jobs in this city.

10 And you heard that Norman Seabrook could be abrasive
11 and charming and outspoken and driven. Here's what Elias
12 Husamudeen, who has known Mr. Seabrook for 22 years and who has
13 been the executive vice president with him and now is the
14 acting president, here's what Mr. Husamudeen said about
15 Mr. Seabrook. Transcript, page 123.

16 "How would you characterize the way or ways in which
17 Seabrook dealt with forces within the union?

18 "Pretty much in your face. I mean up close and
19 personal.

20 "Q. What do you mean by in your face or up close and personal?

21 "A. Usually meaning that you were dealing with Norman,
22 basically one thing was that he always said was he said bring
23 your A game. So basically that was his personality.

24 "Q. What did you understand bring your A game to mean?

25 "A. Be able to back up, defend, or protect whatever it is,

HB7TSEA3

Summation - Mr. Schechtman

1 whatever the issue is that you're bringing to the table or that
2 you're promoting."

3 Twenty-two years together and that's Mr. Husamudeen's
4 description.

5 And you heard that he had the power to send the board
6 member down, to send them back to the jailhouse. That's the
7 same power that Mr. Husamudeen has today. And you heard
8 nothing, absolutely nothing to suggest that he ever used that
9 power in 22 years, that he ever used it to silence a critic or
10 punish someone who disagreed with him.

11 Once again, the words of Mr. Husamudeen, transcript
12 320.

13 "Q. Okay --

14 This is cross-examination.

15 "When you talked about Mr. Seabrook, what you said
16 was -- I think you were asked a question, something like, is
17 there one word that captures him, or how would you capture him,
18 and you said effective.

19 "A. Yes, I did.

20 "Q. And he was?

21 "A. Yes, he was.

22 "Q. And the Seabrook team, and that is Mr. Seabrook and you
23 for 20 years and others, were among the most effective, if not
24 the most effective, labor leaders in this city?

25 "A. It was said."

HB7TSEA3

Summation - Mr. Schechtman

1 That is perhaps the best picture of Norman Seabrook.
2 That's Norman Seabrook, and that's the man that Ms. Granquist
3 and Ms. Lynaugh and I are proud to represent.

4 The second man in this story is Murray Huberfeld. I
5 don't represent him, so I'm going keep my words short. But
6 Mr. Huberfeld is an American success story. He took a small
7 kosher restaurant chain and turned it into a large fortune. He
8 donated money to charity. He was on the board and is on the
9 board of the Museum of Tolerance to promote respect for all
10 people, and he's highly respected in his community.

11 The third man is Jona Rechnitz. Where does one begin?
12 Maybe one way is to ask a series of questions. Before you
13 walked into this courtroom -- before you walked into this
14 courtroom did any of you know anyone who had asked his friends
15 in the police department to close a lane in the Lincoln Tunnel
16 and inconvenience hundreds upon hundreds of people so that he
17 could impress his boss by speeding through the tunnel so that
18 he could, in his words, earn lots of points? Did anyone of you
19 know anyone like that?

20 Or this, before you walked into this courtroom, did
21 any of you know anyone who had the gall, the guts to edit an
22 email that he sent to the mayor of New York City and then
23 resend it to a friend and edit and embellish the version so the
24 friend would be impressed? Does anyone of you know anyone like
25 this?

HB7TSEA3

Summation - Mr. Schechtman

1 Or before you walked into this courtroom, did any of
2 you know anyone who would pay a government official to get a
3 chaplaincy, a chaplaincy for which he had no qualifications and
4 did no work, a chaplaincy that he wanted so he could get a
5 parking permit that would allow him to park in places that you
6 and I could not park. Did any of you know anyone who wanted a
7 chaplaincy so they could park in a no-parking zone?

8 Or this, before you walked into this courtroom, did
9 anyone of you know anyone who would submit a totally false
10 application to the police department for a gun permit simply
11 because he thought it would be cool to own a gun?

12 Or this, before you walked into the courtroom, did any
13 of you know anyone who thought it was perfectly lawful to be a
14 fake employee of a jewelry company to get a salary and then pay
15 it back so he could get group health insurance for himself and
16 wife and five children, benefits to which he was not entitled?
17 And did any of you know anyone who might think that was lawful?

18 Or this, before you walked into this courtroom, did
19 any one of you know anyone who wanted to be on the mayor's
20 committee to combat police corruption after showering senior
21 police officials with gifts so that they would drive him to the
22 airport with lights and sirens on or give him preferred seats
23 at the Thanksgiving Day Parade, and not only be on that
24 committee, but be head of that committee? Did any one of you
25 know anyone like that?

HB7TSEA3

Summation - Mr. Schechtman

1 And one more, this one, Ms. Granquist, transcript 893,
2 line 23.

3 "Q. So you told those FBI investigators why you entered into
4 those relationships with police officers was because, as the
5 grandson of Holocaust survivors, you were raised to believe it
6 was important to maintain relations with policy makers and
7 members of the police department to help ensure the mistakes of
8 the past were not repeated. That was your answer, sir?

9 "A. Yes, I was trying to wiggle my way out of the truth.

10 "Q. And you invoked the memory of the Holocaust to wiggle your
11 way out of the truth?

12 "A. It sounds that way."

13 And I ask you again, before you walked into this
14 courtroom, did you know anyone who would invoke the memory of
15 the Holocaust in which 6 million people were killed to wiggle
16 his way out of the truth?

17 My guess is that your answer to each of those
18 questions is no. You never heard of anyone who would do or
19 think or say any of those things. And that is because before
20 you walked into this courtroom, before any of us walked into
21 this courtroom, none of us knew Jona Rechnitz. Jona is the
22 government's one real witness in this case. I'm going to spend
23 a good bit of time this morning and a little bit after lunch to
24 demonstrate that to you, he is the government's one real
25 witness in this case and he is one of a kind.

HB7TSEA3

Summation - Mr. Schechtman

1 Mr. Nawaday said we're not asking you to like him, but
2 they are asking you to believe him. And no one should believe
3 Jona Rechnitz. No one should believe a person who invokes the
4 Holocaust to wiggle his way out of the truth.

5 With Ms. Granquist's assistance, I want to walk
6 through the evidence in this case and say what I think it
7 shows.

8 Norman Seabrook met Jona Rechnitz on October 16, 2013
9 through Philip Banks, the chief of the department of the New
10 York City Police Department. Banks, as you heard, was a close
11 friend of Mr. Seabrook, and Jona, when he met Norman,
12 immediately saw an opportunity for himself, because for Jona
13 Rechnitz, it was always about Jona Rechnitz.

14 Ms. Granquist, transcript 667, line 17.

15 "Q. How important was this introduction to you at the time it
16 was made?

17 "A. Very important.

18 "Q. Are why was meeting Norman Seabrook very important?

19 "A. Because if he is that close to Phil, then I am going to be
20 that close to him. This was yet another chapter in my life and
21 another thing that I felt no one had access to. I didn't know
22 anybody who was close to the head of union for prison guards."

23 If you're Jona Rechnitz, when you see a new
24 opportunity, a new chapter, you seize it.

25 Ms. Granquist, Exhibit LL.

HB7TSEA3

Summation - Mr. Schechtman

1 Here's Jona Rechnitz seizing it the next day, an email
2 inviting Norman to a police appreciate event, with the
3 question: Where do I send it? And the answer: 75 Broad.
4 That's Mr. Seabrook's office. Followed by this wonderful line:
5 I own 23 Wall Street/15 Broad, that's the corner, and I used to
6 own 25 broad. Small world. Small world, big lie.

7 Now what was his testimony? What was Jona's testimony
8 about this in this courtroom? What did he say when he was
9 asked? Well, here's what he said, so we'll put up
10 demonstrative A, his answer was this --

11 "Did you own those buildings?

12 "A. No. The company that I worked for opened it, I
13 managed it."

14 That's what he said. Now, of course, even his lie
15 about it, even his testimony about his lie was a lie, because
16 here's what he should have said, and what he admitted on
17 cross-examination: No, the company that I worked for owned it
18 until they sold it in 2007, and I managed it until I was fired
19 a one week before I sent the email.

20 This is a fellow who can't even tell the truth about
21 his lies.

22 Now realize those are two landmarked buildings in the
23 financial district. You own those buildings and you are a
24 very, very wealthy man. A multimillionaire. And that is
25 exactly the impression from day one that Jona Rechnitz wanted

HB7TSEA3

Summation - Mr. Schechtman

1 to create: I own that building down the block from you, that
2 landmarked building.

3 I'm going to borrow Andrew Penson's word, it takes big
4 ones to tell that lie. And then Jona opened the spigot and
5 began show showering gifts on Mr. Seabrook just as he showered
6 gifts on the police and just as he showered gifts on others,
7 the fellow who worked for the mayor. There was tickets to the
8 Jets and New England Patriots, meals and lots of cigars in his
9 office, a trip to the Dominican Republic in November 2013. You
10 heard about all the gifts, Jona Rechnitz being Jona Rechnitz.

11 And then in December a quick trip to Dominican
12 Republic with Mr. Banks, Mr. Peralta, Jeremy Reichberg, a trip
13 on December 17 for golf and expensive dinner and drinks, all
14 back and forth on a private jet.

15 And Jona testified that it was on that trip that
16 Mr. Seabrook spoke about getting paid for investing in COBA --
17 investing COBA funds in Platinum. And I suggest to you that is
18 Jona Rechnitz doing what Jona Rechnitz does, taking a kernel of
19 truth and expanding it and embellishing it and blowing it up
20 into a bag of popcorn.

21 (Continued on next page)

22

23

24

25

1 So we know this. Jona was seeking investors for
2 Platinum. He knew Murray Huberfeld. He wanted to win
3 Mr. Huberfeld's favor. Mr. Huberfeld, just as he had done with
4 Michael Weinberger and Andrew Kaplan, he wanted to know him and
5 befriend him and gain from that relationship. He wanted to be
6 on the Board of Trustees of that museum just as Mr. Huberfeld
7 was.

8 So I suggest to you that the conversation went not as
9 Jona said it, but I suggest to you the conversation went
10 something like this. Jona to Norman Seabrook, I own a hedge
11 fund. Lie. It is like I own a building, right? I own a hedge
12 fund. Norman. Well, I am not happy with our investments at
13 COBA, right?

14 In particular, the Wright Company we invested in has
15 been a deep disappointment. Jona, well why don't you come talk
16 to Murray Huberfeld, he is the genius behind the hedge fund
17 that I own. He is a multimillionaire. Talk to him. COBA can
18 invest its money with us in my hedge fund and you'll make far
19 more money. I suggest to you that is the conversation.

20 Now I am going to stop and I am going to try to answer
21 a question that you may have asked yourself, which is why does
22 Norman Seabrook, why did he fall for Jona Rechnitz? It is a
23 fair question. I think the answer is pretty simple.

24 Jona was good. He knew how to play the game. In his
25 words, as he said in that email, he played the game well. He

HB7JSEA4

Summation - Mr. Shechtman

1 was a consummate con man, and Jona saw the weaknesses of other
2 people and he exploited them. Norman liked Ferragamo shoes.
3 He bought Norman Ferragamo shoes. All of us like to be
4 flattered, and Jona was a master.

5 Jona inspired trust. You remember Michael Weinberger,
6 right, who he defrauded out of \$2 million, and remember those
7 emails, you're my best friend. When I leave town, I only think
8 about you and my wife, right? And on and on.

9 Jona inspired trust. Michael Weinberger writes back I
10 don't trust people very often, but you I trust. Here is Norman
11 Seabrook, Government Exhibit 1010 in front of us. Brother --
12 this November, right? We have only worked our magic for a
13 month -- Brother, I just want to reach out and say thank you to
14 Jona, for your friendship and trust. Brother, I like a friend
15 like you that I am proud to have and call my friend. You may
16 often hear me say life is a gift. It's what you do with that
17 gift that makes all the difference. Be well and God bless, a
18 friend for life.

19 Perhaps above all, Jona seemed to be a billionaire, a
20 multimillionaire. He supposedly owned buildings, he supposedly
21 owned a yacht, hedge fund. He flew in private jets. He ate at
22 all the best restaurants, smoked the best cigars, and Norman
23 fell for it. Norman, Norman Seabrook wanted to be mayor of
24 this city. He had his own aspirations, and Jona was a friend
25 raiser, leader, contributor in the Jewish community. Norman

HB7JSEA4

Summation - Mr. Shechtman

1 fell for it. Norman wanted a relationship with Jona just like
2 Jona for his own reasons wanted a relationship with Norman.

3 You can fault Norman Seabrook for falling for Jona's
4 act, but it is a good act. It was an act worthy of an Oscar.
5 Many people in this city fell for it. People in politics, real
6 estate, law enforcement, finance, they fell for it. Among
7 those people was Norman Seabrook.

8 Now, when hey got back to the Dominican Republic, you
9 know what happened? There was a meeting with Murray Huberfeld,
10 right? There is the calendar. Whether it actually happened on
11 the afternoon of Christmas Eve or it happened sometime other,
12 there was a meeting.

13 Now, what I want to do is focus you on Jona's story,
14 and so, Ms. Granquist, transcript 698, if you would. I
15 apologize, right, because maybe there is nothing worse in life
16 than being read to, but this is important, so bear with me.

17 Question:

18 Q. Over those next few days and weeks in December of 2013,
19 describe the conversation that you had with Murray Huberfeld.

20 A. So, first, we wanted to establish with Murray -- I wanted
21 to establish with Norman what Norman's cut would be if he made
22 this investment. So Murray had explained to me that his fund
23 charges what is called two and 20. Two is 2 percent of the
24 amount of money that is invested by individual or an entity or
25 the union that Platinum keeps. That is their payroll cut.

HB7JSEA4

Summation - Mr. Shechtman

1 That keeps the lights on at Platinum. And two to 20 percent of
2 the profit the union would make would go to Platinum and from
3 that 20 percent he would give 10 percent of the earnings to
4 Norman.

5 That is the formula, right? We'll continue.

6 Q. Did you make or did Mr. Huberfeld -- withdrawn -- did
7 either you or Mr. Huberfeld make specific hypothetical
8 calculations what that could mean for Mr. Seabrook?

9 A. Yes.

10 Q. What did you discuss in that vein?

11 A. So he, Mr. Huberfeld, said if eventually he has \$20 million
12 invested and the money makes 50 percent for the year, which
13 means there is \$10 million profit, from the \$10 million profit,
14 20 percent would go to the union. That has to be a mistake
15 because 80 percent goes to the union, 20 percent goes to the
16 hedge fund, right?

17 And it came out to whatever the calculation at the
18 time was that the expectation to Norman would be around
19 \$100,000 if all went well. I submit to you that story, that
20 formula is very important in this case, and it is very
21 important in this case because it can't possibly be true. So
22 look with me, right?

23 Demonstrative D. Here is how it works. It is pretty
24 simple, right? If COBA -- what Mr. Huberfeld supposedly said
25 in December 2014 -- if COBA puts in \$20 million, and if there

HB7JSEA4

Summation - Mr. Shechtman

1 is a 50 percent rate of return, then COBA will make \$10
2 million. That math is pretty straightforward, right, 20 times
3 50 percent.

4 And if Platinum's percentage is 20 percent, then
5 Platinum will make 2 million. That math is pretty easy, too,
6 10 million times the 20 percent.

7 And of that 2 million, 10 million will go to Mr.
8 Seabrook, right? And that supposedly equals a hundred thousand
9 dollars. That is what that says. That is what that says.
10 That is what transcript 698 says was the conversation with Mr.
11 Huberfeld, and that can't possibly be true. That is made up.
12 That is what my father used to call nonsense on stilts.

13 Now watch. Why do I say that? Start with the 20
14 million. This is at a time when Mr. Seabrook was prepared to
15 invest 5 to \$7 million. Could you put that back up, Ms.
16 Granquist, okay? He is supposed to invest to invest 5 to \$7
17 million.

18 Are you to believe that Murray Huberfeld pulled 20
19 million out of a hat? Murray Huberfeld is very smart, right,
20 but he is not a fortune teller, right? He is not a magician.
21 And now we multiply it by 50 percent, the supposed estimated
22 return, right? And Ms. Granquist, put up Government Exhibit
23 402, at Page 43.

24 Remember they were talking about the PPCO fund at this
25 time. There are two different Platinum funds. This is the one

HB7JSEA4

Summation - Mr. Shechtman

1 they were talking about. Look at the rate of returns, that
2 last column, right? 4 percent, 12 percent, 11 percent, 10
3 percent, 10 percent, 9 percent, 8.4 percent. That is what this
4 fund was returning.

5 Now go back to that exhibit, Ms. Granquist. Where in
6 God's name, how would Murray Huberfeld say and when would it
7 return 50 percent? If anybody knew what that fund was
8 returning, it was Murray Huberfeld. So the first number is
9 fortunate telling. The second number is fiction.

10 And then you add them, you multiply them and you get
11 20 million, right? You get 2 million and then 10 percent is a
12 hundred thousand dollars, right?

13 Except 10 percent isn't a hundred thousand dollars.
14 10 percent is \$200,000. You take 2 million and multiply by 10
15 percent, you get 200,000, right?

16 Now, Murray Huberfeld is a smart man. He is not a
17 fortune teller, but my guess is he can multiply.

18 So that is what Jona Rechnitz tells you was said at
19 that meeting, right? 20 million can't possibly be. They were
20 talking about 5 to 7. 50 percent can't possibly be. That fund
21 never earned more than 12 percent, right? Equals a hundred
22 thousand, can't possibly be. It equals \$200,000. So you're
23 told about a meeting that couldn't possibly happen, you're told
24 about a conversation that mathematically is impossible.

25 That story makes no sense because it never happened.

1 Now we go to the January 13th meeting. Ms. Granquist,
2 Government Exhibit 310. Mr. Nawaday told you about this
3 meeting, but he skipped some things. And so we know this is
4 the meeting, it is January 13th. It is the trustees are
5 present and so is Mr. Wien and so is Mr. Reynolds, the
6 independent consultant.

7 If you go over to Page 2, what do you learn? You
8 learn that there was a presentation by Wright, and you learn
9 that people were disappointed in Wright. Go to the top, that
10 first paragraph at the top, Ms. Granquist, right there, okay?
11 The returns for 2013, the third sentence, the returns for 2013
12 did not meet their benchmarks, right? The trustees and
13 Mr. Reynolds acknowledged that, right, although authorized to
14 be aggressive and so forth, right?

15 So you have a meeting in which everyone agrees that
16 Wright was falling short. Then Platinum made a presentation,
17 and so you see that in the new business section. Then you know
18 what happened after that, you have been through this a hundred
19 times, right? The board voted unanimously to instruct Mr.
20 Seabrook that if the due diligence came in, he should invest
21 \$10 million.

22 Now, the due diligence came in, and what I want to put
23 up is Government Exhibit 317. This is a document that Mr.
24 Nawaday said not a single word about, not a single word. He
25 spoke to you for two hours, not a single word, and here it is.

1 This is the independent investment advisor, this is
2 Mr. Reynolds who was tasked with is this a good investment?
3 And here is what he said. The first paragraph. We have
4 completed our due diligence of Platinum Partners and find them
5 a reputable firm to invest with. With over 20 years of
6 experience, Mr. Nordlicht founded Platinum Partners 11 years
7 ago. So this has is not a shop that just opened last week, it
8 has been in business 11 years. Ms. Granquist, keep going if
9 you would.

10 Then a paragraph about what their diligence showed,
11 right? And a sentence that says according to Morningstar,
12 which is a rating service, the Value Arbitrage Fund has a five
13 star rating, right? I don't know how many stars they get, but
14 typically five stars is about as good as you can get whether it
15 is a restaurant or a hedge fund.

16 Keep going. Go to the next paragraph. The fees are
17 in line with other fees, right? The fund's administrator is a
18 good Tier II firm with a good reputation and the fund's auditor
19 is BDO Seidman, a large firm in the financial service auditing
20 industry, which is to say the people who were looking over
21 this, checking it, auditing are BDO Seidman, a large firm in
22 the industry.

23 Liquidity and lock up are also in line with standards.
24 Ms. Granquist just go back to that first line. So our
25 investment advisor, independent investment advisor, said we

HB7JSEA4

Summation - Mr. Shechtman

1 find them a reputable firm to invest in. That I submit to you
2 is a glowing recommendation that Mr. Nawaday didn't show you.

3 What he did show you and what was shown to every
4 witness from COBA is this. 1072. The next page. And then is
5 Mr. Wien's letter, unsigned. Ms. Granquist, go to the last
6 page. It is unsigned, but a letter that went to Mr. Seabrook,
7 and it raises concerns, there is no doubt about it. It does
8 what a good lawyer should do, it raises issues. So if you go
9 back to the second page, you'll see those issues.

10 One, the second page, if you would, first it is a
11 hedge fund. Generally for these kind of supplemental benefit
12 programs throughout the city, people aren't investing in hedge
13 funds, but now go to the next paragraph.

14 I am sorry. Stay there, Ms. Granquist, if you would,
15 okay? He says the following: Where other retirement funds
16 have invested in hedge funds, they have chosen to invest in
17 fund of funds which are a collection of hedge funds managed by
18 investment manager.

19 So it is not that these kinds of retirement plans,
20 these kinds of annuity plants haven't invested in hedge funds,
21 but they have invested in fund of funds where one fund is
22 investing in a series of hedge funds to diversify.

23 But now go to the next paragraph. It tells you the
24 fact that the proposed investment is not a fund of funds, is in
25 our opinion, mitigated. What is it mitigated by? Because

HB7JSEA4

Summation - Mr. Shechtman

1 Platinum's own strategy is to diversify.

2 The second paragraph, the second paragraph talks about
3 the fact that -- we'll get there -- the second paragraph talks
4 about the fact that they won't agree to be a fiduciary. That
5 is a concern, but now go to the next paragraph.

6 And the next. And you see this, right?

7 Both Wright and Advent have consented to this
8 language, right? But there is no discussion Intercontinental
9 had consented. That is the third of these funds. This concern
10 is also mitigated somewhat by the absence of language expressly
11 prohibiting any particular legal theory or claim. The third
12 one is a conflict of interest provision, right? The third
13 paragraph, Ms. Granquist. There we have concerns about that.

14 Then over to the next page, if you will, and this last
15 concern, right, is a significant one because it begins one
16 particular concern in this regard, of particular concern is
17 liquidity. You know what this paragraph is about, right? You
18 have heard testimony about it.

19 The way Platinum worked was that if you wanted your
20 money back, it couldn't guarantee it would come back in cash,
21 right? So it is like, okay, I want my money back, here is your
22 oil well we have invested in, right? It is great, but if
23 you're a union, you probably don't want an oil well.

24 So what happened next? This is a lawyer waving
25 lawyerly concerns, a smart lawyer, right, raising concerns that

1 concerned him.

2 Now we go to the next, the next exhibit, and that is
3 NSB, right? What you learned is this. This is the young
4 fellow here, Gilad Kalter, and he says -- this is February
5 18th. That email I showed you was February 14th raising
6 concerns. He says \$10 million is set to come in. Russ worked
7 on the side letter addressing PIK. That is payment in kind.
8 That you don't want an oil well, right?

9 They dropped the first three points. Somehow in those
10 four days that serious lawyer was satisfied about those
11 concerns. They were addressed to his satisfaction.

12 Then we go to NSB, right? And this is the side letter
13 that was created, perfectly lawful, right, and if you look at
14 that paragraph there under -- begins with 1, right, PPVA --
15 that is the fund they're investing in -- agrees that
16 notwithstanding any provision in the documents permitting
17 distributions in kind, it will make -- will not make
18 distributions in kind to the investor. You'll get cash. If
19 you want some of your money back, you'll get cash. You won't
20 get an oil well. So that concern was addressed.

21 Then, Ms. Granquist, NSC. You have this document also
22 not mentioned in the prosecution's summation, not put up on the
23 screen, right? And look at it. It is signed by every single
24 one of those annuity fund trustees. We don't know exactly when
25 it is dated, but you can get a pretty good idea where it is

HB7JSEA4

Summation - Mr. Shechtman

1 dated. Go back to the first page, okay? A series of whereas
2 classes, right? We'll do them real quick.

3 Whereas, the investment managed by Wright did not meet
4 the benchmark. We're disappointed in Wright, right.

5 Whereas, Platinum made a presentation, whereas the
6 trustees instructed Reynolds and the lawyers to do due
7 diligence.

8 Now the key sentence, the key sentence in a key
9 document that says the following: Whereas, such diligence was
10 performed and both fund counsel advised that such -- and the
11 consultant advised that such investment would be prudent.
12 Every single one of you knows what prudent means, right? It
13 means wise, acceptable, sound, pick your definition, right?

14 And what does that sentence mean that means Tommy
15 Reynolds says this was a prudent investment. More importantly,
16 it meant the lawyers said this was a prudent investment, right?

17 Fund counsel? And who drafted this document? Fund
18 counsel. So what you know is this:

19 A good lawyer had good concerns on February 14th, and
20 those concerns were addressed and resolved because the same
21 lawyer wrote that this investment would be prudent. So you can
22 stand up here if you're the prosecutor and wave that unsigned
23 letter of February 14th, but how about waving this, which says
24 that the investment advisor and the fund counsel said this is a
25 prudent investment.

1 Now, you know the following. You know it because it
2 has only been said to you 3,000 times. Put up 1072, the second
3 page. This unsigned letter was not shown to the trustees. Now
4 look at this. Put up 371, Ms. Granquist, if you would -- 317,
5 rather, 317. This glowing letter from Tommy Reynolds wasn't
6 shown to the trustees.

7 You want people to invest, right? Show them this
8 letter. Neither of those letters were shown to the trustees
9 because what happened at COBA was the board said sent off the
10 lawyers to do the due diligence, send the investment advisor to
11 do due diligence. They both did due diligence. The investment
12 advisor had no concerns at all. This was a reputable firm, it
13 had BDO auditing it. The lawyers had concerns. The concerns
14 were addressed. They signed the resolution saying it, and so
15 anybody who was trying to force an investment on a group of
16 people would have sent this.

17 Neither of those documents was sent because the way
18 this worked was these people were sent off to do this, and they
19 came back and they said this was a prudent investment, and the
20 money was transferred, the first \$10 million on March 4th,
21 2013.

22 Ms. Granquist, NSD again. The money was not
23 transferred until the side letter was negotiated on March 1st
24 because that was a special concern. No oil wells for us. We
25 want cash.

1 Now look at, Ms. Granquist, Government Exhibit 1071.

2 Go to I think it is the top paragraph, Ms. Granquist. I
3 apologize to you. The reason I ask about February 1st is I got
4 the impression from the meeting and others that Norman wanted
5 to start ASAP. That is why if you or counsel have any
6 questions on the docs, we can assist at once.

7 Norman wanted to start ASAP. He thought this was a
8 great investment, right? But fund counsel didn't want to start
9 November 1. They wanted the due diligence. The investment
10 advisor didn't want to start November 1. They wanted due
11 diligence. This investment does not get made until March 3rd
12 when the diligence is completed, when both those people say
13 that it is prudent and when the side letter is signed so that
14 you don't wind up with an oil well.

15 Now, \$10 million is invested in a reputable firm at
16 highly attractive rates of return. Ms. Granquist, Government
17 Exhibit 402, Page 3. Look at the first page. This is what was
18 presented at that meeting. This is a fund that has been in
19 business for 11 years. Average rate of return, top line, Ms.
20 Granquist, on that chart, right? 18.67 percent. That is a
21 hefty rate of return, 18.67 percent on average over those 11
22 years.

23 Ms. Granquist, if you would, the same Exhibit 402,
24 Page 20. This is those returns, 17.3, 12.9 7, 16.9 3, skipping
25 down, 53.25, 4.37 and so forth. Do you remember Mr. Capone's

HB7JSEA4

Summation - Mr. Shechtman

1 question. What was the lowest return? Answer: 4.37.

2 4.37 in 2008, right, when the world crashed, and if
3 you happened to be in the stock market, it crashed with it.

4 What did the fund return? 4.37. What did it return the year
5 before? 53 percent. You put in a million dollars, you get a
6 million and a half back in that year, average rate of return,
7 18 percent.

8 So we know the following: \$10 million invested in a
9 reputable firm at highly attractive rates of return, an
10 investment strongly approved by Mr. Reynolds, the independent
11 consultant with no evidence of Mr. Seabrook strongarmed anyone,
12 and no evidence that he favored one of the two funds over the
13 other.

14 To be sure, he brought in Platinum to COBA and he
15 brought it in because Jona and Murray were involved, but why
16 did he bring it in? Because they were multimillionaires. You
17 know how much he worked or at least some how much he is worth.
18 Jona owned buildings and yachts and all the rest he didn't own.
19 He brought it in because this was an investment vehicle that
20 one thing was sure, it was going to be right, which was nothing
21 but disappointing.

22 This wasn't about putting COBA's money in a sink hole,
23 this was about putting COBA'S money in a reputable firm with
24 high rates of return.

25 Let me skip ahead. The July meeting, okay? Ms.

HB7JSEA4

Summation - Mr. Shechtman

1 Granquist, Government Exhibit 311. The same thing. You know
2 about this meeting. Mr. Husamudeen is not present. Everybody
3 else is. Let's go quick.

4 The second page, Ms. Granquist. We begin at the top.
5 What do you learn? Wright's presentation, the third sentence,
6 this represented a failure to meet the benchmark for equity
7 investments, right?

8 Keep going down. Further, further beyond the 1, 2, 3,
9 Ms. Granquist, to the sentence that begins the trustees. The
10 trustees were of the opinion that Wright's investment strategy
11 on equities was inherently timid and the increased
12 authorization would not result in a more aggressive strategy.

13 Not that Mr. Seabrook thought that. The trustees
14 thought that, that Wright was failing them. So what do you see
15 on this date? Remember, Tommy Reynolds is sitting there at
16 this meeting, Mr. Wien is sitting there at this meeting. What
17 do you see on this date? It was, therefore, unanimously
18 resolved that \$10 million would be taken from Wright and 5
19 transferred to Advent and 5 transferred to Platinum, right?
20 And that is very important.

21 We are not taking 10 and transferring it to Platinum,
22 which you might do if someone was paying you. We are sending 5
23 to Platinum and 5 to Advent because we're going to keep
24 diversified, right, and because Wright is failing and because
25 our investment advisor, Tommy Reynolds, is sitting right there.

HB7JSEA4

Summation - Mr. Shechtman

1 Government Exhibit 1079, Ms. Granquist, if you would.
2 I am just looking for where the rate of return is. Can you
3 find it? There we are. Okay. Cumulative performance from 3-1
4 to 6-30. How is Platinum doing? The answer is the cumulative
5 performance was 3.53 percent. That is four months and it has
6 already earned 3.53 percent. Multiply it by three and you get,
7 if my math is any good, 10.6 percent. It is not a great year
8 for this fund, but God knows it is a great deal for most
9 investments in this world.

10 So the answer was put 5 million there, put 5 million
11 there, right, and let's keep trying to invest this annuity
12 fund's money in sound and prudent investments, okay?

13 Now, what happens next? Now I am going to backtrack
14 to June because we have done the annuity fund and now I want to
15 do the COBA investment itself. Now, what you need to do to
16 start here is to look at Government Exhibit 110. Ms.
17 Granquist, if you would.

18 You have seen this chart. Go to October of 2012, Ms.
19 Granquist, if you would. Look at October of 2012. You have
20 got \$1 million in that first account. The second account you
21 have \$6.7 million in, and the third account you have \$1.1
22 million. I won't belabor it, but that money has been sitting
23 in those two accounts for the longest time.

24 Mr. Nawaday said this was about keeping the lights on.
25 You can keep a lot of lights on with \$7 million. That is a

HB7JSEA4

Summation - Mr. Shechtman

1 rainy day account, right, where it hasn't rained in the longest
2 time. That is a lot of money.

3 Now go one year later, Ms. Granquist, if you would, to
4 October 2013. \$6.8 million in that second account, \$1.1
5 million in that third account. Now do some math with me, Ms.
6 Granquist, if you put up that third demonstrative. \$6 million
7 getting 1 percent, and even that isn't right because one of
8 those accounts was getting 1, and the third account was getting
9 zero, but do it at 1 percent so we keep the math simple. \$6
10 million at 1 percent gets you \$60,000 a year.

11 Get 10 percent on that money, and that gets you
12 \$600,000 a year. And do 18 percent at that money because that
13 is what that fund was averaging, and that gets you more than a
14 million dollars a year, a year, right?

15 And so anyone looking at this would say I got my money
16 in a rainy day account and I'm leaving a lot of money on the
17 table. I have got it at 1 percent and zero percent when it
18 hasn't been used, it hasn't been needed for years.

19 Now, on top of it you have now costs for this union,
20 five trustees were added. I want to make clear, that wasn't
21 Norman Seabrook's idea. Five trustees are added, transcript
22 1622. We're at Line 13, Ms. Granquist. It says the following,
23 and the reason that was done, line 18, I think you told the
24 government that Elias was trying to mirror NYPD's bylaws.
25 Answer correct.

HB7JSEA4

Summation - Mr. Shechtman

1 So again we're going to look like NYPD, we are going
2 to have parity so we are going to have as many trustees as they
3 do, but it comes with a cost. You have lunch in 30 minutes.
4 There is no such thing as a free lunch. It is going to cost
5 money to have five additional trustees. It is going to cost
6 over a half million dollars, a half million dollars in salary
7 plus they all get a car.

8 Where is the money coming from? Well, Norman
9 Seabrook's answer to that was I'm going to take the money out
10 of the rainy day fund where it is earning less than 1 percent,
11 1 percent and reinvest in the other and I am going to put it in
12 Platinum where it is earning this year 10 percent and on
13 average 18 percent, and that is what happened.

14 He was confronted about it at the Puerto Rican Day
15 Parade. What are you doing? You can't do this behind our
16 backs. We're entitled to know, and here was his answer,
17 transcript 1625 Line 14. It was after the -- and what you
18 learned after-the-fact from him and others was that his reason
19 for doing this was to meet those new costs. I would say yeah,
20 right, correct.

21 This is Mr. Husamudeen. And those are the new costs
22 with the new trustees? Answer: Correct.

23 Actually, I apologize. I think it was Mr. Maiello who
24 said that. So when confronted, what Mr. Seabrook said look, we
25 have 500, \$600,000 in new costs, right? I got money sitting

HB7JSEA4

Summation - Mr. Shechtman

1 there in a rainy day fund when it is not raining at 1 percent,
2 and so I moved it.

3 Now, you heard testimony that they could have cut
4 their expenditures, their expenses, and they could have. I
5 guess I want to submit to you the following: That the two
6 hardest things in life to do may be reducing your expenditures
7 and losing weight, right?

8 People talk about it, but I am not sure anybody really
9 does it, right? So if you're not going to reduce your
10 expenditures, you better increase your income, and that is what
11 happened here.

12 Importantly, Ms. Granquist, Norman Seabrook G,
13 importantly before this was done, the lawyers, Mr. Wien, right,
14 negotiated another side letter. Paragraph 1, right? Paragraph
15 1, right, no PIK, no payment in kind, we don't want an oil
16 well. If you're going to send us money back, we want money.

17 And most importantly, Paragraph 2. This didn't appear
18 in the first side letter. Paragraph 2 for as long as investor
19 maintains a balance of at least \$5 million invested in the
20 fund, then upon three days' notice, PPVA will allow investor to
21 redeem up to \$1 million.

22 You know there is usually a redemption period, you
23 have to wait 90 days or 120 days, whatever it is. On three
24 days' notice you can get your money back. Why negotiate this?
25 Because this is operating funds, and you want to make sure you

HB7JSEA4

Summation - Mr. Shechtman

1 can get it back, you don't have to wait 90 days if you have
2 some emergency. So the lawyers negotiated this provision.

3 Look now at Government Exhibit 316, and there is the
4 letter that says, right, August of 2015, right, again Mr.
5 Nawaday is a fine lawyer, fine man, but you didn't see this
6 one, either, right?

7 And it says I'm writing to ask for the million dollars
8 back on three days' notice. Signed Norman Seabrook, the person
9 who supposedly is forcing money into this fund because they're
10 putting money in his pocket. I would like the money back
11 because we need it, because we're spending money on advertising
12 and we have increased our costs so I would like the million
13 dollars back that my lawyers especially negotiated.

14 Now, what the government has said to you is this was
15 done behind their backs -- behind the backs of COBA. It
16 certainly wasn't done -- Ms. Granquist, if you go back to NS
17 G -- it certainly wasn't done behind the back of COBA's lawyers
18 because before this happened, they drafted that side letter
19 that gave them that special liquidity provision. The one thing
20 Mr. Seabrook knew was that you can't move money from COBA
21 without the signature of Mr. Maiello. That is the rules,
22 right?

23 And so when he wrote a letter to the bank, right, and
24 that is GX 315, when he wrote a letter to the bank, Mr.
25 Seabrook, asking this money to be withdrawn, the last sentence

HB7JSEA4

Summation - Mr. Shechtman

1 of that letter says, right, please contact Mr. Maiello with any
2 questions. Now, I can't tell you why that money moved before
3 Mr. Maiello knew about it, but there is no evidence Mr.
4 Seabrook controlled that bank. Be serious. The bank made a
5 mistake. It should have waited for the second signature.
6 That's the rules.

7 But it moved that money. As far as Mr. Seabrook
8 knows, no money could move until Mr. Maiello approved it.
9 Mr. Maiello did approve it. He said it was a done deal. Even
10 that is a little crazy because one thing about done deals, this
11 one you can undo. You call the bank and say look, I didn't
12 sign onto this, hold onto it. Get it back. It is not
13 approved. Do you know what the bank would have done? It would
14 have gotten bank. It wasn't approved. Banks don't like to be
15 sued.

16 But the Monday went. Then you know the following: At
17 the next board meeting, not a single word was said by anybody
18 saying this was a mistake. There was a confrontation because
19 people were upset at the Puerto Rican Day Parade, but at the
20 next meeting not a word, right? And why not a word? Because
21 this, too, was a sensible course.

22 Now, look, respectfully, I represent Mr. Seabrook. I
23 think this was done wrong. Mr. Nawaday is right, right? You
24 don't do it behind people's back. You tell them here is why I
25 am doing it, I am moving the money, right?

1 But they learned and they did nothing to undo it,
2 right, nothing at all. You know why? Here is why. If your
3 dues come in automatically, and they do -- remember how this
4 works. The dues are taken from the members' paychecks. The
5 city collects them and gives them to you. You don't have to
6 worry about your due money. It comes to you. It is like
7 (inaudible) it goes through the city. You heard the woman who
8 said my job is I go pick up the check.

9 If your dues come in automatically and if you have \$6
10 million in a rainy day account earning 1 percent interest, and
11 it hasn't rained, and if you have new costs of more than
12 500,000, add in the cars, 600,000 and if you could earn 10
13 percent or more on your money and if you could withdraw \$1
14 million on three days' notice were it to rain, then making this
15 investment is a sensible decision.

16 It is a sensible decision that probably should have
17 been talked about, but a sensible decision that once people
18 realized what was going on here, nobody second-guessed it at
19 the next board meeting, nobody said bring the money back
20 because that investment decision made sense.

21 Government Exhibit 1035. This is one Mr. Nawaday did
22 show you, right? Norman allegedly coming in here to sign
23 papers next week. No calls to anyone there, please. This is
24 part of they did it behind everyone's back. Again the lawyer
25 knew exactly what was going on here. The lawyer was not afraid

HB7JSEA4

Summation - Mr. Shechtman

1 to raise concerns. Mr. Maiello had to go along with this
2 because his signature was required. So I suggest to you all
3 that is being said here is that Mr. Landesman saying look, this
4 money is going to come in, right? Don't screw this up. I got
5 it. Just let it be. It's going to happen. No calls to
6 anyone, meaning including Norman Seabrook. This is going to
7 happen, and it did, and it was a sound investment.

8 Now, Judge, we are a little early, but I am about to
9 turn to a day in December called December 11th, and so it is
10 probably a good place to stop if the court is acceptable with
11 that.

12 THE COURT: Let's try to go a little bit longer. We
13 ordered lunch for the jurors which would be there at 1:00.
14 Let's try to go another 15 minutes.

15 MR. SHECHTMAN: Okay. December 11th, all right?
16 Let's look first at Jona's story, Demonstrative E. Here is
17 Jona's story. In December 2014, Norman wanted to get paid.
18 Murray said Platinum could pay him only \$60,000. I knew Norman
19 would be disappointed, so I bought him a Ferragamo bag.

20 I went up to my office and put money in the bag. It
21 was cash from Peralta. I gave it to Norman near the restaurant
22 where we were having dinner. I told Norman there would be a
23 new formula going forward.

24 We went to dinner, Torah dedication ceremony and
25 Havana Club for cigars. I was reimbursed for the \$60,000 I

HB7JSEA4

Summation - Mr. Shechtman

1 paid Norman using a fake Knicks invoice to disguise the
2 payment. Murray paid me \$18,000 for bringing in the
3 investment. He wrote a check for charity to my child's school.

4 That is Jona's story, and I emphasize the word,
5 "story." Now, what does one make of this? Let's start with
6 the third line there which is I knew Norman would be
7 disappointed, so I bought him a Ferragamo bags bag, right?

8 Transcript 762 Line 14. I think I am right on that,
9 Ms. Granquist. Why did you go to the Ferragamo store? Answer,
10 Jona, because it, as discussed before, I knew it was Norman's
11 favorite brand and I knew I was not coming with great news for
12 him in terms of the amount of money he was making that year.

13 At that point had you told him about the returns? No.
14 So why go to the Ferragamo store before bringing bad news? To
15 get him a bag to put cash in before giving it to him so he
16 could at least appreciate the bag and feel good about it.

17 Come now! If you believe his story, he is shorting
18 Norman Seabrook \$40,000. Indeed, you will remember his
19 testimony, between 100 and \$150,000 because he wanted to excite
20 him. So he may be shorting Norman Seabrook, based on his
21 story, as much as \$90,000. But you know what? I know how I
22 can make him happy, right? I can give him a man purse. You
23 know, I know I am shorting you \$90,000, but look at that.

24 THE COURT: Everyone in the gallery, please no
25 outbursts. Go ahead.

HB7JSEA4

Summation - Mr. Shechtman

1 MR. SHECHTMAN: Ms. Granquist, go back to
2 Demonstrative E. The next line is I went up to my office and
3 put the money in the bag. That is the testimony. Now, what I
4 want to do with you, and this may be the last thing I get you
5 to do, but let's see if I can get you to do it all.

6 I will ask Ms. Granquist to put up Government Exhibit
7 1404, but you have seen it before. It is critically important
8 to watch it. So here we go, and we are going to see Jona come
9 into this building with the bag. Then, Ms. Granquist, you will
10 stop it where appropriate. Here we go.

11 (Video played)

12 MR. SHECHTMAN: Stop it. Now, you can do this
13 yourself in the jury room or us else come back out and see it
14 again. If you look here, what you will see is going into that
15 building, he had that bag across his shoulder this way. Look
16 at the strap. Now, watch him come out. So we're now at 6:29.
17 Watch him come out.

18 (Video played)

19 MR. SHECHTMAN: Here he comes, okay? Back it up a
20 second. There he comes, supposedly with \$60,000 in that bag,
21 no longer over his shoulder.

22 Now, realize what we are talking about here. We are
23 talking about December 11th in Rockefeller Center at 6:00
24 o'clock at night and supposedly \$60,000 in that bag, that when
25 you went in you had over your shoulder. When you come out,

HB7JSEA4

Summation - Mr. Shechtman

1 where do you have it? Right? Dangling. Now, keep walking.

2 (Video played)

3 MR. SHECHTMAN: There here comes. There it is. There
4 is an advertisement, how to carry \$60,000 in Rockefeller Center
5 at Christmastime.

6 There was no money in that bag. Now, Mr. Nawaday
7 asked a good question. If you're just buying the man bag,
8 right, and making him feel good because you're disappointing
9 him for \$90,000 or whatever the number is, why not gift wrap
10 it?

11 And I submit the answer to you is you know what is up
12 in that office, the finest cigars in the world, and so we go
13 up, we put the cigars in the man bag, we come down and we hold
14 it like this, and we walk out to meet Norman Seabrook, not
15 \$60,000, because nobody carries \$60,000 that way.

16 One more. Ms. Granquist, go back to Demonstrative E.
17 I gave it to Norman near the restaurant where we were having
18 dinner. Now, this is if you would go with me to transcript 825
19 Line 22. I gave it to Norman near the restaurant.

20 How did Norman react to what you told him? He was not
21 thrilled, right? The man bag was a poor substitute for 40 or
22 \$90,000, right?

23 He took the bag and put it down by his feet by the
24 driver's side. \$60,000 in a bag and you put it by your feet on
25 the driver's side when you're doing to dinner, Torah dedication

HB7JSEA4

Summation - Mr. Shechtman

1 ceremony and cigars at the Havana Club. You don't put it in
2 glove compartment? You don't put it in the trunk? That is the
3 testimony in this case.

4 And next back to that first exhibit, Demonstrative E.
5 Jona's story. Murray paid me 18,000 for bringing in the
6 investment. He wrote a charity check to my child's school.

7 Now we are going to come back to that after lunch
8 because that is a lie told from this witness stand. It wasn't
9 \$18,000 and one charity check. It was three charity checks and
10 we'll talk more about it, but stop for a second.

11 Ms. Granquist, transcript 835 Line 9. Question. Now
12 around this time had you and Mr. Huberfeld earlier discussed
13 the possibility of his paying you for your role in the deal?
14 Yes. What do you recall of that discussion? Line 14 Jona
15 Rechnitz: I had told Murray that I didn't need to be paid on
16 this.

17 Now, stop for a second and say to yourself, you're
18 about to walk out, if you believe this, excuse my expression,
19 cock-and-bull story, right, you're about to walk out and meet
20 somebody and short-change them somewhere between 40 and
21 \$90,000, and you don't want to get paid? So what do you do?
22 You say you know what? The money you're going to give me,
23 let's give it to Norman so he is not so upset.

24 That is what would think one would do, but this was
25 never about giving money to Norman. This was about giving

HB7JSEA4

Summation - Mr. Shechtman

1 money to Jona. So I suggest to you that that sentence that
2 says I only got 18,000, we are, we are going to see it is
3 completely false and it doesn't make sense because if you're
4 about to short-change somebody and you don't want money, you
5 give him the money, right?

6 And then we have a new formula, I will make him
7 hand -- Judge, I can start after this -- the new formula, 825,
8 Line 9, here is the new formula to make Norman happy. The new
9 formula is this. I closed the door, I gave him the bag, I told
10 him there was \$60,000 inside. I saw on his face a look of
11 disappointment. So explained to him there would be a new
12 formula -- skipping down -- and Murray added new money to the
13 formula.

14 Moving forward there is a new formula, you will get an
15 amount of a percent of everything you invested in so if you
16 have 20 million invested, you get half a percent, which is a
17 hundred grand, and you don't have to wait the whole year, you
18 will start getting paid at the new beginning of the year.
19 Think about it.

20 Think about it, for 2014, you're going to get a
21 hundred grand and you will get it at the beginning of the year,
22 that is the new formula and you will get it monthly. That is
23 \$8,300.00 a month, if my math is right, right, a hundred
24 thousand divided by 12, about \$8,000.

25 So think about it, you're about to walk out and

HB7JSEA4

Summation - Mr. Shechtman

1 short-change somebody, right, if you believe this nonsense,
2 you're about to walk out and short-change somebody between
3 40,000 and 90,000, you're going to make him happy because
4 you're going to give him a bag, right, but in January,
5 beginning of January, right, the beginning of the year, you're
6 going to give him \$8,300, and in February you're going to give
7 him \$8,300. That is \$16,000, right?

8 Why not just give it to him? Give it to him now so he
9 doesn't feel so hurt, right? I mean we can't -- this man can't
10 find \$16,000 to advance two months? Ms. Granquist, if you
11 would go back to that demonstrative. This story is a tall
12 story. This story makes no sense.

13 I knew Norman would be disappointed so I bought him a
14 man bag, right? I went up to my office and I brought the cash
15 down. When I came down, I swung the bag in Rockefeller Center
16 at Christmas Season.

17 I gave it to him near the restaurant so that he could
18 leave it in the front of his car, right, on the floor, right?
19 And Murray paid me by check \$18,000 when I didn't want to be
20 paid and I knew Norman would be shortchanged, and I told him
21 the new formula, right, which would get him \$16,000 at the
22 beginning of February, January and February, but I couldn't
23 give it to him now because we didn't have \$16,000, when you've
24 got a man who seems to have \$300 million.

25 That is Jona's story, every single one. I haven't

15 HB7JSEA4

15 Summation - Mr. Shechtman

15 done every one because I can back after lunch, right? It makes
16 no sense. So if Jona's story doesn't make no sense, right,
17 then this is not a crime and this is not a criminal case. It
18 shouldn't have been brought in this district. I'll see you
19 after lunch.

20 THE COURT: Members of the jury, we'll take our lunch
21 break. We have ordered lunch for you. Lunch is in the jury
22 room, so I will give you, say 40, minutes for lunch. So come
23 back in exactly 40 minutes and we'll continue with closing
24 arguments by Mr. Seabrook's attorney, and we'll take another
25 quick break and have closing arguments from Mr. Huberfeld's
attorney and summation by the government.

26 As always, don't discuss the case with anyone. Don't
27 let anyone discuss it with you. Don't read anything about this
28 case or listen to anything about this case. If you see
29 anything, stop reading. If you hear anything, stop listening.
30 Don't do any research or talk about people or issues in this
31 case. See you in 40 minutes.

32 (Jury excused)

33 (Continued on next page)

HB7TSEA5

Summation - Mr. Schechtman

1 (Jury not present)

2 THE COURT: Okay. Let's give the jurors a
3 three-minute head start. Let me get a sense from counsel for
4 scheduling purposes, could I have a sense of how much longer
5 you think you have?6 MR. SCHECHTMAN: That's a fair question, Judge. 45
7 minutes.

8 THE COURT: How many?

9 MR. SCHECHTMAN: 45.

10 THE COURT: So after that we'll take a quick break,
11 maybe a ten-minute break, and we'll have counsel for
12 Mr. Huberfeld and try to get to the government's rebuttal
13 summation today.

14 Anything else, counsel?

15 MR. MAZUREK: No, your Honor.

16 THE COURT: All right.

17 To avoid unnecessary bumping into jurors, let's get
18 counsel back here in 35 minutes.

19 (Luncheon recess taken)

20 (Continued on next page)

HB7TSEA5

Summation - Mr. Schechtman

1 AFTERNOON SESSION

2 (1:45 p.m.)

3 THE COURT: Counsel ready? Again in the audience, no
4 outbursts or making noise during the summations or you will be
5 escorted out of the courtroom and go to the overflow courtroom.

6 Let's bring the jury out.

7 (Jury present)

8 THE COURT: Welcome back.

9 Continue, counsel.

10 MR. SCHECHTMAN: Good afternoon. When we stopped I
11 had spoken to you about what was up there as Jona's story, and
12 what I said to you I think is Jona's tall story, and I want to
13 talk to you about what I think the evidence shows actually
14 happened that night, December 11.

15 So would you put up demonstrative.

16 And I think it's a much simpler story. Norman
17 Seabrook drove to Manhattan from the Bronx to have dinner with
18 Jona and Phil Banks and to go to a Torah dedication ceremony.
19 Every piece of that you know. You have seen the car driving,
20 you have seen the dinner, and you have seen the Torah
21 dedication ceremony.

22 Jona gave Norman a Ferragamo bag, this bag, filled
23 with cigars for Hanukkah.

24 Jona was paid \$100,000 for bringing COBA to Platinum.

25 A fake invoice was created to cover the \$60,000 that

HB7TSEA5

Summation - Mr. Schechtman

1 was paid directly to Jona.

2 That's what I think the evidence shows happened that
3 night, and let me talk to you about it.

4 First, demonstrative G. Look at the calendar with me.
5 December 11 is the Thursday, Friday is the Jewish Sabbath,
6 Saturday the Sabbath, Sunday in the evening you heard testimony
7 that Jona leaves with his best friend, Michael Weinberger, to
8 Israel. They stay there the beginning of -- to Wednesday, the
9 beginning of Hanukkah, and the two families, the Weinberger
10 family and the Rechnitz family, go to Utah on a ski trip. So
11 if you are really going to give a Hanukkah present and that's
12 your schedule, the night to give it is December 11.

13 And you know this is a fellow, Mr. Rechnitz, who gives
14 holiday presents. He gives them to the police, he gives them
15 to other people. You heard about him showing up at people's
16 houses with toys for children.

17 There were cigars in that bag. Look at transcript
18 1372, line 8.

19 He came to your office to smoke cigars? Yes. And you
20 had some very fine Cuban cigars there? Yes. On one occasion I
21 think you gave some in a bag. On many occasions, many
22 occasions. And he enjoyed a your cigars because he enjoyed a
23 good cigar? Yes.

24 And there had to be a reason to go up there, a bag --
25 a gift wrapped bag, and the reason is he went up, and that's

HB7TSEA5

Summation - Mr. Schechtman

1 what that bag was used for.

2 Now he told you there was a new formula, and if you
3 remember that Jona told you there was a new formula that he
4 supposedly told Mr. Seabrook, and that formula was a half
5 percent of the investment.

6 So you have \$20 million investment at this point, a
7 half a percent is \$100,000. And what I submit to you is that
8 that wasn't Norman's formula, that was Jona's old formula.

9 And watch this Demonstrative H. \$20,000 times a half
10 a percent equals \$100,000. Now what makes \$100,000? Well,
11 let's skip the 60 for a second and we'll put up what is MH362.

12 (Continued on next page)

13

14

15

16

17

18

19

20

21

22

23

24

25

1 Now, remember when Jona Rechnitz testified in this
2 Court, what he said was Murray Huberfeld gave him one check for
3 \$18,000 that went to his school. That is what he said on
4 direct examination.

5 Now, look at this exhibit, start with the first page,
6 360, 18, 18, the two 18 goes to Yeshiva Ketona in Manhattan,
7 Jona's son's school. Another 18 going to the Israel Cancer
8 Research Fund. That is the check that went to Ben Brafman's
9 wife's charity. Ben Brafman, you will remember, is the lawyer
10 who Jona hired for Peralta, right?

11 Each of those checks is in the Jewish amount, so to
12 speak, it is 18, it is hi, the word for life. Then we do
13 \$3,600, that goes to another charity, right, and again the
14 Jewish number.

15 Now go back, Ms. Granquist, if you would, and each of
16 those on cross-examination, he said I just forgot, I forgot I
17 got those two or checks and again it is for you to decide,
18 whether he actually forgot that he got those checks that night.

19 Now go back to Demonstrative H, and so here is what I
20 think the truth is, or I submit to you this is what the truth
21 is. What is supposed to be Mr. Seabrook's new formula is
22 Jona's old formula. A half of a percent of the \$20 million
23 investment is \$100,000. 60,000 of that money went directly to
24 Jona by check. 18,000 -- 18 went to his charity for his son,
25 18 went to Ben Brafman's wife connected to Peralta, and 3,600

HB7JSEA6

Summation - Mr. Shechtman

went to another charity to round it out. That is roughly a hundred thousand dollars. I think you're off by 400, but you're off because you have got to make these Jewish checks, I apologize, but they are in the amounts of 18 and 36 because that is the word for high. That is what happened that evening. Jona got 60,000 paid directly to him. He got 18, 18 and 3,600, and he got it in typical Jona fashion.

He got it so he wouldn't have to pay taxes on it. The two 18's went to charity. No sign that they have anything to do with Jona. You had an FBI agent on the stand, and I asked her the question, those two checks that were paid to charity, would they wind up in Jona's bank account, and she said possibly.

Look, I submit to you the answer is impossible. If you write a check to a charity, it ain't coming back to Jona Rechnitz's bank account. It is not going to happen. I suppose anything can happen. That is an expression you might have heard of, but some people haven't.

Those checks aren't going anywhere near Jona Rechnitz's bank account, any of those three, right. If your accountant looks at it, your accountant won't see it and you don't pay taxes. How do you go for the 60,000, you don't pay taxes on it? Do it with a sham invoice with the Knick's games. The good fellows stood up and said it is a sham invoice. Mr. Nawaday, was it a fake invoice? Sure, it was. Mr. Shechtman,

HB7JSEA6

Summation - Mr. Shechtman

1 was it a fake invoice? Sure, it was.

2 Who is sitting in those seats? Jona is sitting in
3 those seats. Why was it written? It was written to cover that
4 payment to Jona Rechnitz. That is what it was. It was another
5 way for him to avoid taxes.

6 Remember this. If you look at the testimony, and if
7 you go to Transcript 475, Line 11, what you learn is as a
8 lawyer, you're familiar with the fact that placement agents,
9 brokers need a certain license? Yes. Do you know whether Jona
10 had that license? No idea, right?

11 And now go to Transcript 1220. This is Jona. You're
12 not licensed as a register broker? Correct. You did not have
13 a contract directly with Platinum? Correct.

14 And so now go back to government exhibit,
15 Demonstrative H, if you would, and you know the following.
16 Jona couldn't get a direct payment from Platinum for being a
17 placement agent and he didn't want a direct placement because
18 he had to pay taxes on the hundred thousand dollars. So 60
19 went to him that was covered by Knicks tickets, 18 and 18 went
20 to two charities, 3600 was there to round it out and Jona got
21 paid.

22 So I laugh when I think about this case because the
23 key phrase is it is time for Norman to be paid, right? And you
24 know what happened on December 11th? It is time for Jona to be
25 paid. Why pay him on December 11th? Put the calendar back up.

HB7JSEA6

Summation - Mr. Shechtman

1 Thank you, Ms. Granquist. It is his last night in town. You
2 want to pay him before the end of the new year, that is the
3 night to pay him. Jona got paid that night and he did it in a
4 way to make sure there was no tax obligation. That was hidden.

5 Now, what does that mean? It means in this courtroom,
6 Jona took a kernel of truth and made it into a bag of popcorn.
7 He created a crime to get himself out of trouble. This is Jona
8 Rechnitz who took an email that he sent to the mayor that said
9 for your information and embellished it so that it looked like
10 he was screaming at the mayor.

11 This is Jona Rechnitz who took a story, and with one
12 flip made it into his crime and his crime.

13 If you're Jona Rechnitz, truth around fiction. If
14 you're Jona Rechnitz, you cut and paste to serve your purposes.
15 If you're Jona Rechnitz, you create history. Transcript 1329,
16 Ms. Granquist, if you could, Line 17. This was when we were
17 talking about -- I was asking him questions about Apartment 6
18 E. You remember he bought Apartment 6 E, but he didn't want
19 the tenant there to know it because he wanted to buy that
20 tenant out and he thought he had nor leverage if the tenant
21 didn't know it. So he was going to negotiate with the tenant,
22 but he wanted the tenant to keep paying the check to the old
23 landlord, right, so he would have more leverage. So he said to
24 the old landlord if you don't want to do it that way, we can
25 find another way. So I asked him what you said was there is a

HB7JSEA6

Summation - Mr. Shechtman

1 way around it always? His answer: Correct.

2 And my question to you is, is it fair to say that was
3 a philosophy of life for you? And his answer was: Yeah.

4 There is always a way to do it. Now, I'll repeat the
5 question that I asked at the beginning. Before you walked into
6 this courtroom, did you know anyone whose philosophy of life
7 was there is always a way around it?

8 Jona's motive, right? Well, you heard in April 2016
9 Jona's world was collapsing around him. There was articles
10 about an investigation at the New York City Police Department,
11 senior people whom he had a corrupt relationship with, presents
12 for favors. His picture was on the newspaper with a suggestion
13 that he had a corrupt relationship with the mayor. He knew his
14 conduct was deplorable, right? He knew that the agents were
15 asking questions about Nissen.

16 You know that because one of the things he did was he
17 and his father met with Nissen to try to get Nissen's story
18 straight, and then he called Nissen and said don't say my dad
19 was there if they ask you. Lies, obstruct justice, but don't
20 tell them my dad was there.

21 So he knew they were investigating the cops, he knew
22 they were investigating the mayor, right, there had been a
23 story about the COBA investment. He knew they were
24 investigating Nissen. Think about Nissen. What he had to know
25 was how badly he had defrauded his friend Michael Weinberger.

HB7JSEA6

Summation - Mr. Shechtman

1 I am not going to bother putting the chart back up, but he lied
2 six ways to Sunday on that one. My father is investing. I am
3 investing. We only need this amount of money, right?

4 All that was going to come to light because they were
5 talking to Nissen, and if you talk to Nissen, you wind up
6 talking to people who invested with Nissen, and one of those
7 was Michael Weinberger.

8 Jona on that witness stand said he didn't know what
9 fraud was, right? He sure knew how to commit it, and he knew
10 that people were investigating it and were getting close.

11 He was in the middle of two Ponzi schemes, Nissen and
12 Peralta. His testimony to you was I didn't know they were
13 Ponzi schemes, and again I leave it to you, I am not sure it
14 matters that much. There is an old expression which is if you
15 win the lottery once, you should be congratulated; if you win
16 it twice, you should be investigated.

17 What he is sitting in the middle of two Ponzi schemes
18 and he didn't know, maybe, but he knew they were being
19 investigated.

20 So Jona's world was truly collapsing around him, and
21 that gave him a motive to come into the U.S. Attorney's Office
22 and to take a story and twist it, to take a story and embellish
23 it. Like you tally emails and embellish them and give and to
24 give them this man and this man. That is what he did, right?

25 That is exactly what he did to buy his liberty. Did

HB7JSEA6

Summation - Mr. Shechtman

1 they want Murray Huberfeld? I apologize -- (inaudible) --

2 Did they want Norman Seabrook? Norman Seabrook was
3 the head of one of the major major unions in this city. He was
4 a big target and Jona knew it and he gave him to them. What
5 did he think he was purchasing? He was purchasing his liberty.

6 Put up GX 1601. Jona told you he hoped this
7 cooperation agreement would be a get out-of-jail-free card for
8 him, that he would never spend a day in jail, right? And look
9 at the second page of it. Go to that second paragraph. Look
10 at what he is not being prosecuted for. Look at what he has
11 gotten coverage for, immunity for. Look how rich this deal is
12 for him.

13 He won't be prosecuted for honest service fraud beyond
14 what he has pled to. He won't be prosecuted for anything
15 involving Peralta. He won't be prosecuted for false statements
16 he made to law enforcement when he lied to them in 2015. He
17 won't be prosecuted for anything to do with the health
18 insurance company. He won't be prosecuted for anything that
19 involves the gun permit. He won't be prosecuted for placing
20 sports bets in 2013 and he won't be prosecuted for his election
21 fraud.

22 Now, one of the things Mr. Nawaday said to you was he
23 has come clean, right? Well, if somebody said to you the
24 following: Tell us what you've done wrong and whatever you
25 tell us we are not going to prosecute you for. A lot of us

HB7JSEA6

Summation - Mr. Shechtman

1 might come clean. Think about your children and say to them if
2 you tell me, I will just forgive you, right?

3 So he may have told the truth about these things, but
4 he bought his freedom for every single one of them. In order
5 to buy your freedom, you had to give something.

6 There and there, right?

7 And it was easy. All you had to do was to take a
8 \$60,000 payment from him and put it in a bag and give it to
9 him, right? Jona's world was collapsing and Jona was
10 desperate, and I asked Jona a question on cross-examination.
11 Ms. Granquist, Transcript 375, Line 1 through 7. And here was
12 the question and here is the answer.

13 Now, Mr. Rechnitz, have you heard the expression
14 desperate people do desperate things? This expression he
15 heard, right? And he said yes.

16 And, indeed, you used that expression yourself? And
17 he said yes. And I said more than one occasion? And he said
18 yes. In June of 2016 Jona Rechnitz was desperate, and
19 desperate do desperate things.

20 Now, I want to take about 15 more minutes. You sat a
21 lot of time today. I just want to talk to you about a few
22 topics. The first is this: The wiretaps. You are going to
23 hear more about these wiretaps that started in January. I want
24 to say this to you.

25 If you believe this nonsense story, Norman Seabrook

HB7JSEA6

Summation - Mr. Shechtman

1 had money coming to him January 1st, February 1, March, April,
2 right? There is no suggestion on these wiretaps of where's my
3 money, right? None, right?

4 You can look at the phone calls. There is hardly a
5 phone call here between them. You will see some phone calls at
6 the end of January and you can look at the transcripts and
7 you'll see what happened at the end of January was he came to
8 visit Mr. Huberfeld and he gave him a thousand dollar present.

9 Even that is sort of a joke. You have been bribed
10 supposedly \$60,000, you're angry because you have been
11 shortchanged, and what do you do? You come and give a thousand
12 dollars back? Come now!

13 That thousand dollars was a present given by somebody
14 who knew how wealthy that man was, right, wanted to be --
15 wanted a relationship. He wants to run for mayor, right? He
16 wants to know wealthy people. His hedge fund is invested in
17 Murray Huberfeld. So here is a thousand dollar present, but
18 you tell me who gets a \$60,000 bribe and is disappointed and
19 gives back a thousand dollars a month later?

20 And if you look, you'll see the calls are calls
21 leading up to coming up to give that money at the end of the
22 month. Not a single call that says where's my new money?
23 Where is the new formula? What is happening here. The wiretap
24 is up for three, four months. None of it.

25 1059, Ms. Granquist. This is Tommy Reynolds, right,

HB7JSEA6

Summation - Mr. Shechtman

1 who writes and says no new money should be invested in
2 Platinum. We have put in enough. He writes it in November.
3 You hear that there is some suggestion, Norman is talking about
4 new money, maybe I can put in money all the way through April.
5 There is not a single instance in which he tries to put money
6 in this, right?

7 Tommy Reynolds said "no mas," and that was it, no more
8 money went in. Was there talk? Was there stringing along?
9 Yes. Was there any action at all towards putting new money
10 into this? No, nothing in the New Year, nothing whatsoever.

11 And then this, right: Transcript 1293, Ms. Granquist,
12 Line 1. Now you were asked on cross-examination by Mr. Mazurek
13 a question about a meeting with FBI agents and government
14 lawyers in May 2016, and you were asked whether you told them
15 that you had given Mr. Seabrook, on December 11, gave him the
16 money in the late morning or early afternoon, and you said I
17 don't know, it's possible.

18 Do you remember that question and that answer? I
19 don't remember which meeting you're referring to with the FBI.
20 Do you remember that question and that answer? I remember the
21 question. I don't remember the answer two days before.

22 You don't remember saying, I am sorry, 30 minutes ago,
23 40 minutes ago, I don't know, it's possible?

24 It's possible that's what I said. I don't remember my
25 exact language. So as you sit here today in May of 2016, did

HB7JSEA6

Summation - Mr. Shechtman

1 you tell the government lawyers and the FBI that you paid
2 Norman Seabrook on December 11, 2014, you paid him in the late
3 morning or early afternoon? It's possible. You want one piece
4 of testimony that is pure Jona Rechnitz? There it is. It is
5 possible. I don't remember. Could be. I don't remember.

6 Put up TTT. What do you learn? On May 15th, 2016,
7 Jona Rechnitz met with government agents, one of whom took
8 notes during the meeting. Those notes were not intended to be
9 a verbatim transcript, but were intended to summarize the
10 substance of Rechnitz's statements accurately. According to
11 those notes, Rechnitz stated in substance: Rechnitz paid
12 Seabrook the money on December 11, 2014 in the late
13 afternoon -- late morning or early afternoon and Rechnitz spent
14 approximately five minutes in Seabrook's car and then parted
15 ways. If you continue, it says Seabrook may have driven him
16 home.

17 Now, look, they're not verbatim notes, but they're
18 taken by an FBI agent whose job it is to take good notes,
19 right? And it is hard to think that that FBI agent was told I
20 did it in the evening. Remember 6:00 o'clock on December 11th
21 is pitch dark. It is hard to think that that FBI agent sitting
22 there heard 6:00 o'clock at night and wrote "late morning,
23 early afternoon." That is what Jona Rechnitz said when he
24 first came in. That is because he hadn't gotten his story
25 straight.

1 Think about it. You've just bribed a major union
2 official in New York City and you can't remember the time of
3 day? You can't remember how this happened that you went up to
4 your office, right?

5 Or is it that you still didn't know sort of exactly
6 the story you were telling. So I submit to you, go back, Ms.
7 Granquist, you want a powerful piece of evidence? You want a
8 reasonable doubt? There it is, right? You want somebody
9 making up a story? The biggest problem with making up a story
10 is that it is hard to keep it straight. That is what happened
11 in this case.

12 Now, I said at the outset that this was a one-witness
13 case with what I called palm tree corroboration, I attacked him
14 under a palm tree, there is the palm tree. That is what went
15 on here. The Ferragamo bag, God, you have been told a lot
16 about the Ferragamo bag. It was found on the door in his
17 house. Of course it was. It was given as a present. He took
18 it home. What do you do with that? Maybe at the next COBA
19 meeting you come in wearing it, right? If you want to
20 guarantee you're not getting to get a 7th term, wear that to
21 the next meeting. So it was put on the back of the door and it
22 stayed there.

23 The phone charts, right? You have seen all the phone
24 calls. Now look at Demonstrative L if you would. There is
25 December 11th at the top. That is their chart. Strip it of

HB7JSEA6

Summation - Mr. Shechtman

1 every call where there is no reason to think that the call
2 actually got through, they're one minute, they could go to
3 voicemail and they could be dead. You have the chart at the
4 bottom.

5 We put up NNN, we created it right here in the
6 courtroom, put up NNN if you would, Ms. Granquist. There is
7 November 10th, 2013. The next day was the first trip to the
8 Dominican Republic. So there are a lot of calls between Jona
9 and Norman and Jeremy and Norman, but there are also calls up
10 there between Murray and Jona, and there is not a single thing
11 in the evidence that suggests that Murray even knew the name of
12 Norman Seabrook at this time, but you can make a phone chart
13 that makes it look like these people are conspiring. We did it
14 right here in this courtroom, thanks to the Elmo.

15 So the thing about phone charts is they don't tell you
16 very much at all because they don't tell you what is being said
17 in those calls, and the only person who is telling you what is
18 being said is Jona Rechnitz, for whom anything is possible.

19 The money, right? \$27,000 was found in a house mostly
20 in upstairs safes, mostly in TD America envelopes found 19
21 months after this supposed bribe, not in the bag, right, not
22 near the bag. Here is what you're told, right? 10 M, 5 M, 10
23 M, \$20 million. Mr. Seabrook wrote \$20 million on these
24 envelopes.

25 Now, look, Mr. Nawaday is a very good lawyer, but I

HB7JSEA6

Summation - Mr. Shechtman

1 submit to you that is the silliest testimony ever given in this
2 courthouse. The same hand, look at this, the same hand that
3 wrote 10 M, right, 10 M and 5 M wrote "breast money," right?

4 Now, look, please, it may be that if you're wearing
5 this bag, you want to put aside \$10 million for breast money,
6 right? I mean that is absurd to think that that is what went
7 on here. It is absurd to think that this is meant to add up to
8 \$20 million. M, right, in Latin is a thousand. That is
9 \$10,000.00, which is what is in there, right? That is 5,000.
10 That is 10,000. It is crossed out because some of it is gone,
11 but if you think for a second that money was put there, who in
12 his right mind, right, says I am going to put \$20 million on
13 three envelopes from TD Bank because I want to have a record,
14 right, that I put in \$20 million into my fund.

15 Come now! M is a thousand, and that is just what
16 happened in this case, right? "Breast money"?

17 What also happened here is this. Government Exhibit
18 111, this is the chart that the FBI agent prepared. What it is
19 is deposits, and there is absolutely no doubt that that chart
20 was prepared so that you would think that at the beginning of
21 that year Norman Seabrook deposited, right, into his account
22 all of that cash which came from a bribe. There is no doubt
23 that was the purpose of that.

24 Now, what you've been told is I am trying to distract
25 you because we actually put up the full story. Usually the

HB7JSEA6

Summation - Mr. Shechtman

1 full story is not a distraction. Usually the full story is
2 what we call a full story. So we put up a chart while she was
3 on the witness stand which showed what actually happened.

4 Money went in and out of that account. Think about
5 it. Think if you had \$60,000 in cash, right, why would you be
6 taking cash out? You can put it under your pillow when you
7 needed cash, and you had it. That is not a distraction. That
8 says to you one thing. This is a household that did a lot of
9 things with cash, and this is a man who gambled, right, and
10 gambling meant cash, right?

11 But they only show withdrawals, to only show this with
12 withdrawals, Government 111, right, that is a half story and
13 that is an attempt to make you think that the world is
14 different than it was.

15 Now, here is another chart for you, which is J. Here
16 is the full story. Those are the cash withdrawals that the
17 Seabrooks took between January 2015 and May 2016. They
18 withdrew -- let me see if I can get the exact number,
19 \$113,166.06. That is all the accounts plus the credit union.

20 Go down to April, and there is Mrs. Seabrook, April,
21 withdrawing \$11,000 in two checks. And go across, and there to
22 the last column, and there is Mr. Seabrook withdrawing \$20,000
23 in cash alone. Now, it is true there are cash expenses. They
24 paid the roofer or whatever he was in cash. But you're talking
25 about people -- to the bottom, Ms. Granquist -- you're talking

HB7JSEA6

Summation - Mr. Shechtman

1 about people who withdrew, not deposited, withdrew more than a
2 hundred thousand dollars in cash. You're talking about a man
3 who gambled, right?

4 Again you want to know half the picture. Show what
5 happened at Mohegan Sun, right? He lost there. You want the
6 other half of the picture? Transcript 1674, Line 8.

7 I am not sure you heard about this on direct, on the
8 first summation, 1674, Line 8. Were you there -- this is about
9 Atlantic City -- were you there when he won big one night? No,
10 I was not there. Was that the night he won a hundred thousand
11 dollars? No, I was not there. I heard about it, but I was not
12 there.

13 If you show just Mohegan Sun, you show a loser. If
14 you show Atlantic City, you show a winner, right? And cash
15 went in and out of that account, right?

16 And to think that this money found 19 months later,
17 right, in these envelopes would say 10 M have anything to do
18 with what is on trial in this courtroom is dead wrong.

19 The search of the car, Government Exhibit 641. I
20 shake my head, right? You want proof that Norman Seabrook took
21 a bribe? There it is. He's got two Platinum binders in his
22 car. Well, what do we know? He invested \$20 million of COBA's
23 money in that fund. Is it crazy to have it there? It is there
24 with his golf clubs, right, and it is there with an ice melter,
25 that is what is on the bottom here. For a second do you think

HB7JSEA6

Summation - Mr. Shechtman

1 that that shows that this man took a bribe, or that this man
2 has a trunk with lots of things that seem to be accumulated,
3 including an ice melter right in June?

4 The email address, the testimony is he only used his
5 personal email. NS RRR, if you would. This is May. Here it
6 is. Jona to Norman, the me address. And S TTT. Here it is,
7 Jona to Norman, the COBA address. There is no bright-line here
8 in only one direction. There is both.

9 I began this summation by talking to you about three
10 men, Norman Seabrook, Murray Huberfeld and Jona Rechnitz, and I
11 am going to end by talking about three men, and I hope I am
12 going to do it in a way that is respectful. The three men are
13 these three men, Mr. Bell, Mr. Capone and Mr. Nawaday. They
14 are good, decent, likable people who are stuck with a
15 manipulative, deceitful and contemptible witness, Jona
16 Rechnitz.

17 I submit to you that they suffer from something,
18 respectfully, that psychologists call confirmation bias. What
19 is it? Confirmation bias is the tendency of people, all of us,
20 all human beings, to interpret information in a way that
21 confirms our preexisting beliefs. I repeat that.
22 Confirmation bias is the tendency of all human beings to
23 interpret information in a way that confirms our pre existing
24 beliefs.

25 Somebody, to say yourself, I love my neighbor's

HB7JSEA6

Summation - Mr. Shechtman

1 daughter, it couldn't be a nicer person. You hear something
2 bad, right, and you say it can't be. You find some way to say
3 I know her, it just can't be, and so you take new information
4 and you treat it in a way that confirms your preexisting
5 beliefs.

6 Look at this case, right? Mr. Bell and Mr. Capone and
7 Mr. Nawaday simply won't let go of Jona Rechnitz no matter how
8 obvious his falsehoods. Take this one from this courtroom from
9 this witness. Why did Nissen pay your credit card bill?
10 Answer: Because it bought me three weeks' time. My credit
11 card bill didn't come due until the third week of the month, so
12 in order to buy time, he paid my credit card bill.

13 There is another way to buy time. You just wait three
14 weeks, and then you send a wire transfer or then you wrote a
15 check, right? It is absurd to think that the reason I am
16 paying the credit card bill is to buy time, right? Buy time,
17 wait, pay. The reason that that credit card bill was paid was
18 so that it wouldn't be taxable, so that you could hide the fact
19 that you were getting money just like the \$60,000. That is
20 pure Jona Rechnitz. To buy time, nonsense; to evade taxes,
21 yes.

22 Now, the government, the prosecutors in this case,
23 seem to believe that story. They want you to believe that
24 story, and it is unbelievable. Or take this example, right?

25 I got health insurance and I continued it all the way

HB7JSEA6

Summation - Mr. Shechtman

1 to June 2017, and why? Because I was locked in. You don't
2 have to answer questions, but did you ever change jobs? Have
3 you ever been locked into health insurance, and to change jobs,
4 your health insurance goes? If you are lucky, you get a COBRA
5 policy that wraps around a little bit.

6 For Jona Rechnitz, I couldn't write a letter to the
7 health insurance company that said please take me off this
8 roll, or better yet, please take me off this roll because I
9 have been cheating you for four and a half years.

10 Now, the prosecutors seem to believe that Jona
11 Rechnitz was locked in. If he wasn't locked in, he was
12 committing crimes all the way through to 2017 and violating his
13 cooperation agreement, right? They seem to believe it, and
14 they want you to believe it, and it is unbelievable.

15 Or take this one. I didn't know that black face was
16 offensive to African-Americans. I didn't know it even though I
17 bought gold teeth and a giant gold chain, and I say to you that
18 story is also nonsense. And they seem to believe it and they
19 want you to believe it, and it is unbelievable.

20 On redirect Mr. Bell asked questions to suggest that
21 the reason Jona Rechnitz didn't know it was because he lived a
22 sheltered life. That is why he didn't know that black face in
23 the 21st Century was unconscionable, and I thought about it and
24 I suppose when you think about it, he did lead a sheltered
25 life. He lived in two small towns, Los Angeles and New York

1 City. .

2 But they seem to believe it and they want you to
3 believe it, and it is unbelievable. Holding on to Jona
4 Rechnitz, defending his untruths, believing his crazy and
5 self-serving rationales, asking you to convict two good men
6 based on his word, it may be human, people stick with what
7 they've got, but it is wrong.

8 On redirect Mr. Rechnitz said he had only read two
9 books in his life, and I kept wondering what were the two
10 books? Well, I submit to you that if he read the Bible, he
11 didn't read it carefully and he didn't take away its central
12 moral teachings. One of those teachings is thou shall not lie.
13 My guess is there wasn't a day in Jona Rechnitz's life,
14 including the days he was on this witness stand, that he didn't
15 lie.

16 Another one of those sins is that thou shall not bear
17 false witness, and that is what that man did in this courtroom.
18 He was a false witness. Many defend summations and remind the
19 jury about reasonable doubt, and those words bear reminder.
20 The judge is going to talk to you about it. I want to read to
21 you the words of Justice William Brennan, perhaps the greatest
22 Justice to serve on the Supreme Court in our modern history.
23 He said this:

24 The requirement of proof beyond a reasonable doubt has
25 a vital role in our criminal procedure and for powerful

HB7JSEA6

Summation - Mr. Shechtman

1 reasons. The defendant in a criminal prosecution has a stake
2 of immense importance both because of the possibility that he
3 may lose his liberty and because of the certainty that if
4 convicted, he will be be stigmatized for life as a felon..
5 Accordingly, a society like ours that values the good name and
6 freedom of every individual should not condemn a man for
7 commission of a crime when there is a reasonable doubt about
8 his guilt. Society, like ours, that values the good name and
9 freedom of every individual should not condemn a man for
10 commission of a crime when there is a reasonable doubt as to
11 his guilt.

12 So you can understand why defense attorneys stand up
13 in summation and remind you about the central importance of
14 reasonable doubt, but I submit to you this is not what lawyers
15 call a reasonable doubt case. This is not a close case. This
16 is a case based on the word of Jona Rechnitz, and no man in
17 this country should be convicted of anything, from accepting a
18 bribe to stealing a loaf of bread based on the word of Jona
19 Rechnitz.

20 Mr. Bell ended his opening two weeks ago by asking you
21 to use your common sense. Mr. Nawaday said the same thing to
22 you today, and I say the same thing to you today. Use your
23 common sense. Norman Seabrook, Murray Huberfeld are not
24 guilty. I thank you.

25 THE COURT: Members of the jury, we are going to take

HB7JSEA6

Summation - Mr. Mazurek

1 a quick break. Let's take a 10-minute break. After that,
2 we'll hear the closing arguments of Mr. Mazurek. Don't discuss
3 this case amongst yourselves or anyone else. Don't do any
4 research on the issues involved in this case. I will see you
5 in 10 minutes.

6 (Jury excused)

7 THE COURT: You can be seated. See you in 10 minutes.
8 Your estimate?

9 MR. MAZUREK: One hour.

10 THE COURT: All right. Okay. Counsel for the
11 government, your estimate for your rebuttal?

12 MR. CAPONE: 30 to 40 minutes, your Honor.

13 THE COURT: See you soon.

14 (Recess)

15 THE COURT: Counsel ready?

16 MR. MAZUREK: Yes.

17 THE COURT: Are the jurors ready, Tara?

18 THE CLERK: Yes, Judge.

19 THE COURT: Again no outburst from anyone in the
20 gallery. Let's go. Let's bring them in.

21 (Jury present)

22 THE COURT: Please be seated. Welcome back. We are
23 now have closing arguments by counsel for Mr. Huberfeld.

24 MR. MAZUREK: Good afternoon.

25 I have the enviable time slot of mid-afternoon, so I

HB7JSEA6

Summation - Mr. Mazurek

1 am going to try to make this enjoyable for all of us. I
2 promise not to use the term, "man bag" at all in my summation.

3 What I would like to do is to start out and have a
4 joint project together and take up at the same time
5 Mr. Nawaday's challenge.

6 Mr. Nawaday said in his summation that you don't just
7 have to believe Jona Rechnitz because there is all this
8 corroborating evidence and emails and documents and wiretap
9 recordings. Well, I want us to imagine something. Let's, for
10 the purposes of the next few minutes together, let's do
11 something. Let's put Jona Rechnitz's testimony aside. Ignore
12 it. Put it on a back shelf, store it away like a bad memory.

13 Let's look at what the other evidence in this case
14 shows as to my client, Murray Huberfeld, the evidence of what
15 Murray Huberfeld did with respect to the transaction involving
16 COBA's investment into his hedge fund, Platinum Partners.

17 Here is what that evidence actually shows. We start
18 the end of 2013. You recall what the evidence other than
19 Mr. Rechnitz's testimony shows is that there was a meeting,
20 there was a calendar entry that was in Mr. Rechnitz's Outlook,
21 his email which indicated there was a meeting on December 24th,
22 2013 at Platinum Partners, and the participants in that meeting
23 were Jona Rechnitz and Norman Seabrook.

24 We know that on December 24th, 2013, at GX 1015,
25 Murray Huberfeld writes to Jona Rechnitz, "Great job today.

HB7JSEA6

Summation - Mr. Mazurek

1 Great job today."

2 That was after the meeting where Murray Huberfeld met
3 with Norman Seabrook as a potential new investor to Platinum
4 Partners. What happened after that? What is the other
5 evidence in the case to show that on January 6th, 2014, there
6 were emails, emails among Murray Huberfeld, Norman Seabrook and
7 Jona Rechnitz and other members of Platinum Partners,
8 coordinating, introducing each other by email, coordinating a
9 meeting, a presentation that was going to be had by the
10 marketing team of Platinum Partners to the COBA Board of
11 Trustees.

12 Those can be found at Government Exhibits 1020, 1021,
13 1022. What else do we know occurred on January 14, 2014? You
14 heard a lot about this already before me, was the Platinum
15 presentation to the COBA board. The minutes of that meeting
16 can be found at Government Exhibit 310.

17 What happened after January 13th, according to the
18 objective evidence in the case? There was a negotiation of an
19 investment, of an investment between Platinum and COBA. Those
20 correspondence can be found at GX 1022 and 1025. Who were the
21 people involved? Not Murray Huberfeld, but the people you
22 expected to be involved, the marketing people, the legal
23 people, the financial people. There was correspondence between
24 the people that you expected in a normal investment.

25 It resulted in a subscription by COBA, and on January

HB7JSEA6

Summation - Mr. Mazurek

18th, 2014 GX 1025 there is an email where Murray Huberfeld wrote to Jona Rechnitz, and what did it say? It didn't say oh, you know, we have this in the bag, it says, "you broke through with Norman. Now let's really get going." It is a congratulatory email for someone who was acting as a promoter who had a list of 25 investors and who delivered the million dollars broker.

Let's continue with the objective evidence in the case. Jona Rechnitz responds to that email, again at Government Exhibit 1025, he responds to Murray Huberfeld by saying I'm meeting Tom Napoli January 29th, another man on the list of 25. Jona Rechnitz is doing the job of a promoter on behalf of Platinum.

We know that in March of 2014, \$10 million was invested by COBA into the PPVA fund of Platinum Partners. We also know in the shaded areas on the timeline that what objectively was known by the COBA financial people, financial adviser Tommy Reynolds and the COBA Board of Trustees is that between March and June, the Platinum investment increased by 2.8, percent which over an annualized rate was about 11 and a quarter percent for that period of time. They were making money. That is what the objective evidence showed.

In May of 2014, there is continued correspondence from the people again you expect, Tommy Reynolds, the legal team regarding a potential COBA general fund investment. You can

HB7JSEA6

Summation - Mr. Mazurek

1 look at that email in GX 1034. Another investment was made by
2 COBA of \$5 million in June.

3 What happens after that in the objective evidence?

4 Well, let me just stop before we go onto the next
5 timeline date. If you look at GX 1048, this was an email that
6 we, the defense, entered by stipulation just yesterday. You
7 remember there was correspondence that the government
8 identified about the fact that there was some effort by
9 Platinum to say only speak to Norman on a particular
10 investment, only go through Norman.

11 Well, you know now, ladies and gentlemen, that the
12 June 2014 investment by COBA was by the general fund. That is
13 different from the annuity fund, and that, those two funds were
14 separate entities. Howard Wien, the lawyer for COBA, wrote to
15 Uri Landesman in this email GX 1048 and he explained the
16 reasons why not to go through the same people with the annuity
17 fund when the investment was for the general fund. It reads:

18 Howard Wien is telling Platinum, by the way, when
19 Norman said that Tommy Reynolds is not to be involved in a
20 transaction, he means on the COBA account. (Initial investment
21 of 5 million, not the COBA annuity fund account, initial
22 investment of 10 million. This is because Tommy is the
23 consultant for the fund, not the union. I had a similar
24 discussion with Andrew Kaplan a week or two ago and reconfirmed
25 this with Norman a couple of minutes ago.

HB7JSEA6

Summation - Mr. Mazurek

1 So the lawyer for COBA is explaining to Platinum the
2 reason why for the general fund investment in June, Platinum is
3 supposed to go through Norman and not through the people who
4 were representing the annuity fund.

5 The government sometimes wants you to view things a
6 certain way, and to see there must be a criminal conspiracy,
7 the reason why that correspondence was being done that way.
8 Ladies and gentlemen, you have to look to the evidence to show
9 there is a legitimate reason that was given by legal counsel as
10 to why some of those emails were directed only to Norman.

11 Now, in July of 2014 you heard there was a second
12 presentation by Platinum. That is what the objective evidence
13 shows. Gil Kalter presented on behalf of PPVA fund because
14 Landesman and his colleague were away on a trip overseas. You
15 can see that in GX 1047.

16 At this point, before the board voted on July 29, 2014
17 for the final \$5 million investment into Platinum, at that
18 point in time from March to August in the gray shaded area at
19 the bottom of your screen, you see at that point in time for
20 those four months already Platinum had made 4.26 percent on
21 behalf of the COBA investments which on an annualized rate is
22 about 10.6 percent. Again, the objective evidence showed they
23 were making money.

24 Here is what Tommy Reynolds wrote after Gil's
25 presentation on July 29th, 2014. He wrote him that same

HB7JSEA6

Summation - Mr. Mazurek

1 evening, 8:13 pm. You can find that at GX 1047, and he wrote
2 Andrew, to Andrew Kaplan of Platinum Partners:

3 Gil did a great job. The board voted to move an
4 additional \$5 million to their account. Please let me know the
5 next date you can accept funds. Also please send me the wire
6 instructions for the account. If you should you have any
7 questions, please do not hesitate to call.

8 This was the outside advisor, financial adviser of
9 COBA. The government says this was supposed to be an update,
10 not a pitch for new money.

11 Tommy Reynolds, he was the financial adviser, he is
12 writing on that same evening, saying there was a vote by the
13 board to increase the amount amount to \$5 million. That is
14 what the objective evidence shoals.

15 Now, in December of 2014 there was a payment by
16 Platinum to Jona Rechnitz for \$100,000. That is what the
17 objective evidence shows, and you recall that also yesterday,
18 just yesterday, it seems like a long time ago, there was a
19 stipulation again entered by the defense, a stipulation that
20 talked about prior statements that Jona Rechnitz gave to these
21 agents and prosecutors during his preparation for his trial
22 testimony.

23 (Continued on next page)

1 MR. MAZUREK: And that stipulation can be found at
2 NSTTT.

3 What did that stipulation say? It said that in one of
4 those meetings with the agents and the prosecutors Rechnitz
5 stated in substance that Huberfeld would ask Rechnitz if he
6 should sent a check to him directly for a profit or to a
7 charity. The handwritten notes also of that same meeting said
8 Huberfeld would ask: Checks to Jona for profit or charity?

9 Jona Rechnitz denied saying that in this courtroom
10 when I asked him those questions on cross-examination.

11 And let me just stop for a moment, because I know I
12 spent two and a half days with this gentleman and I apologize
13 for times if I was seemingly slowed down and embattled him with
14 every single question, and maybe I went on too long. And I
15 apologize and thank you for your patience, but it wasn't easy
16 because he fought me on every single last question, almost
17 every single last word. But I did it for a purpose. I did it
18 for a purpose. First of all, I represent my client, but
19 second, you deserve the truth.

20 So when he denied that he said these things prior, in
21 a prior session with these same good folks, it's important for
22 you to know that. Because he said to these folks that Murray
23 Huberfeld asked whether the checks to Jona Rechnitz should be
24 written to his for profit or for a charity.

25 And what do you know the objective evidence shows, and

HB7TSEA7

Summation - Mr. Mazurek

1 a piece of evidence that we introduced that didn't come out on
2 direct examination? Think about this, ladies and gentlemen, if
3 we didn't cross-examine, if we just accepted words of Jona
4 Rechnitz, you would believe there was only a \$60,000 check that
5 he said ah-hah, that has to be reimbursement for cash that was
6 paid by Norman Seabrook, and by the way, there was also an
7 \$18,000 check that was sent to my school from Murray because
8 Murray wanted to do something nice for me.

9 That's what you would have been left with on direct
10 examination, but we know -- thankfully we have a chance to ask
11 questions, and we introduced what's in evidence as MH362, a
12 cover letter, a note that was taken grouping four checks, and
13 you heard this from Mr. Schechtman already, four checks that
14 total \$100,000. Not what Jona Rechnitz would have you believe
15 on direct examination, not because he wanted you to focus on
16 the \$60,000 because that makes up his story to say that's the
17 bribe money, but in fact it's \$100,000, that's what the
18 objective evidence showed in this case. And that \$100,000
19 happened to be one half of one percent of the amount of money
20 that COBA invested, which would equal a reasonable amount for a
21 placement agent who didn't have a license. He got paid this
22 way because he asked for it. The objective evidence shows that
23 \$100,000 was paid by Platinum at Murray Huberfeld's request to
24 pay for the services of Jona Rechnitz. That's what the
25 objective evidence in the case shows.

HB7TSEA7

Summation - Mr. Mazurek

1 At the end of December 2014, COBA earned approximately
2 \$670,000 on its investment. You heard that testimony from the
3 SS&C witness, Mr. Balemian, \$670,000 in one year.

4 In 2015 you heard that there were no additional COBA
5 investments in the objective evidence, and not surprisingly,
6 there were no payments made to Jona Rechnitz.

7 That, ladies and gentlemen, in response to
8 Mr. Nawaday's question is what the objective evidence shows as
9 to Murray Huberfeld, the documentary evidence in the case.

10 That evidence does not prove that Mr. Huberfeld
11 conspired with Mr. Seabrook or anyone else to commit honest
12 services fraud. That evidence does not prove that Murray
13 Huberfeld aided and abetted Norman Seabrook of any bribe.
14 Indeed, this evidence does not show that Murray Huberfeld did
15 anything wrong at all. His only role in the whole transaction
16 was agreeing to use Jona Rechnitz as a middle man and then to
17 refer the investors that Jona Rechnitz brought to him to the
18 marketing team of PPVA, PPCO. And then to refer Jona Rechnitz
19 for payment by Platinum Partners for his efforts as a placement
20 agent. On this evidence, ladies and gentlemen, you cannot find
21 Murray Huberfeld guilty of the crimes charged.

22 Now let's take a step back and go slowly over what the
23 evidence shows in this trial. As to Murray Huberfeld, my
24 memory is correct, and this two-week plus trial, there are only
25 two witnesses we even knew who testified at this trial, one,

HB7TSEA7

Summation - Mr. Mazurek

1 Jona Rechnitz, you've heard already way too much about, the
2 other was Gilad Kalter, who worked at the same fund as Murray
3 Huberfeld. The only one who presented any evidence against
4 Mr. Huberfeld or that showed him to have done anything wrong is
5 Jona Rechnitz. That's it. There were no other witnesses, no
6 other witnesses who even knew Murray Huberfeld.

7 So what have we learned about Murray Huberfeld in the
8 course of this trial? We learned it mostly from Elias Kalter
9 who knew him because he started at his fund at Platinum and
10 then when Murray Huberfeld created the Centurion Credit Fund.
11 And what we learned is Murray is an American success story. He
12 came from immigrant parents. They were Holocaust survivors
13 from Poland. He was self made. He started the fast food
14 kosher delight fast food chain. He found partners to create
15 his investment fund Platinum, then he started his own credit
16 fund, Centurion.

17 He folded into Platinum, after growing it from zero
18 dollars to over 300 million dollars in assets under management,
19 then he moved on to another investment company called
20 Beechwood. He established the charitable Huberfeld Family
21 Foundation and had more than \$14 million, and that's more than
22 \$14 million just invested in the Platinum fund on behalf of the
23 charity.

24 He invested his money, his family money, his
25 children's money, in the Platinum fund because he was proud of

HB7TSEA7

Summation - Mr. Mazurek

1 it. He had built an extremely successful investment company.
2 And you know what? He didn't do it the Jona Rechnitz way, he
3 did it through hard work. And you heard that through Gil
4 Kalter. He didn't do it through shmoozing, he did it with old
5 fashioned elbow grease.

6 You heard what Gil Kalter said about Murray Huberfeld.
7 On October 26 he testified, at 463 of the transcript, he was
8 asked this question by me: When you worked under him at
9 Platinum, and then Centurion and Platinum again, how would you
10 describe Mr. Huberfeld's mental state?

11 This is what Mr. Kalter said, he said: To the point.
12 First of all, he works 24 hours a day, other than the Sabbath,
13 so it is 24/6. My phone could ring at 2:00 in the morning. It
14 could ring at 7:00 in the morning. When he traveled to other
15 time zones, it was bananas, but he always worked. He was on
16 top of everyone. He was diligent. He pushed to do it now, not
17 to procrastinate, and he was effective.

18 That's what Mr. Kalter had to say about Murray
19 Huberfeld.

20 And by the end of 2013, when Jona Rechnitz has the
21 audacity to come in and say this man entered into a criminal
22 conspiracy suddenly after living this life, Murray Huberfeld
23 was extremely successful and wealthy. And the evidence in the
24 case at that point in time, in December of 2013, the evidence
25 that you heard in this courtroom shows nothing other than that.

HB7TSEA7

Summation - Mr. Mazurek

1 You heard of no sudden trauma in Mr. Huberfeld's life, no
2 emergency, no dire times, no problems with business or his
3 family. Nothing, nothing at all.

4 Now Mr. Nawaday said in his summation there was a
5 motive for Mr. Huberfeld to suddenly commit crime. And he said
6 subs versus reds. Let's see what that evidence really is in
7 this case, because ladies and gentlemen, what the government is
8 saying is that this man, who worked so hard to build an empire,
9 suddenly was willing to throw it all away for one investment,
10 one investment at the time was 5 to \$7 million. Because there
11 was this redemption activity that was so traumatic it was to
12 change Mr. Huberfeld and his family's life forever? No, that's
13 not what the evidence showed.

14 I, on cross-examination -- not the government, I, on
15 cross-examination, asked Mr. Kalter about this redemption
16 activity. I asked him about Mark Nordlicht. He was then the
17 chief investment officer and the head of the Platinum Group,
18 both a PPVA and PPCO. Because there were emails that the
19 government introduced about Mark Nordlicht where he said things
20 like we need a new direction or code red.

21 So when I asked Mr. Kalter what about Mark Nordlicht,
22 how would you describe him, I asked him this question, page 502
23 of the transcript.

24 "In your experience, while you were working at
25 Platinum, how would you describe his management style?

HB7TSEA7

Summation - Mr. Mazurek

1 "A. Intense, exciting, kind of like at the edge of your seat
2 always."

3 That's how he described Mr. Nordlicht. The man who
4 wrote at the bottom of the e-mails, we need a new direction,
5 code red, code red. But Mr. Kalter says -- that's his
6 brother-in-law, by the way -- that's the way Mark Nordlicht
7 operated. Intense edge of your seat always.

8 Now what did the redemption activity actually show, or
9 what did Mr. Kalter -- he's the witness who the government
10 called who was at the funds in 2013 and 2014, how would he
11 describe how that redemption activity seemed to be? He was
12 asked this question by me:

13 "I'll just ask you to compare -- not to compare, but
14 do you have any memory in that time period, 2014, 2015, about a
15 worry about redemptions?:

16 And this is what Mr. Kalter answered, "I don't know if
17 I would use the word 'worry.' There were redemptions, but it
18 sounds to me like the Mark Nordlicht that I just described to
19 you, you know he had a plan, he had a way to meet those
20 redemptions, and it wasn't something that I focused on at all."

21 Does this sound like a traumatic moment, the dire
22 circumstance where Mr. Murray Huberfeld suddenly at the end of
23 2013 decided I'm going to throw it all away to bribe one of the
24 biggest New York City labor bosses? Does that sound like
25 motive?

1 Ladies and gentlemen, that's what Gil Kalter, who
2 worked at the fund, said he was feeling at that time.

3 Now I asked him further: Okay, redemptions are just
4 an ordinary part of running a hedge fund, correct?

5 The answer was yes. He went on to explain, if you
6 remember, there were ways to deal with redemptions, even if
7 there were more redemptions than subscriptions, you can
8 liquidate assets, you could find other financing.

9 It's the ordinary course of managing and operating a
10 health fund. That's all the evidence in the case showed.
11 There's no reason, no motive for Murray Huberfeld suddenly to
12 start off a life of crime at the end of 2013. Didn't happen.

13 And you know what, look at the underlying facts,
14 statistics. Forget Mark Nordlicht's hyperbolic emails. What
15 we know from the testimony of Matthew Balemian, the SS&C
16 representatives, COBA's investment in 2014 was \$20 million.
17 And at that point in time the combined Platinum Partners group
18 had risen to level of over of 1.28 billion. So that COBA
19 investment that the government is saying motivated Murray
20 Huberfeld to suddenly become a criminal was 1.6 percent of all
21 the assets that that fund had. Does that sound like motive to
22 enter into a conspiracy to bribe? I submit it falls far, far,
23 far short.

24 What about that very email that Mark Nordlicht -- that
25 the government put up, which is found at Government

HB7TSEA7

Summation - Mr. Mazurek

1 Exhibit 1002? Guess what? It has an attachment to it at
2 Government Exhibit 1003. That attachment included the last
3 four years of subscriptions and redemptions, the data that Mark
4 Nordlicht was relying upon when he wrote that email.

5 Take a look at it. It's a little dense, tough to
6 read, but I'm trying to summarize it for you in the chart that
7 I put before you.

8 So the information, the actual data that Mark
9 Nordlicht was communicating to the people he was writing to
10 about the new direction showed the following: The line on top
11 are the assets under management at the PPVA fund. From 2010 to
12 2013 the fund increased its assets under management for use by
13 the investors, for the investment managers like Mark Nordlicht,
14 from 443 million in 2010 to \$746 million by the end of 2013.
15 That was the amount of money in the PPVA fund. And you also
16 heard there was almost 400 million in the PPCO fund.

17 And the redemption activity that the government is
18 saying is the reason that Murray turned to the life of crime,
19 look at it. And you could calculate this in the attachment of
20 GX1003, and in 2010 there was \$118 million of redemptions, in
21 2011, 82, 2012, 143, and the estimated year end redemptions in
22 2013 was \$89 million.

23 That's the point in time when the government says
24 Murray Huberfeld was motivated to commit bribery. There was
25 nothing going on that was anything other than the normal

HB7TSEA7

Summation - Mr. Mazurek

1 operation of a hedge fund. And what do we know about Murray
2 Huberfeld at the end of 2013, you heard Mr. Kalter testify that
3 he left his position as the chief investment officer of the
4 credit fund, PPCO, in 2011.

5 In 2013 Mr. Huberfeld didn't have the headaches that
6 Mark Nordlicht did. Mark Nordlicht had to deal with those \$189
7 million in redemptions. He had to figure out a way to make
8 sure the investors worked together. And it's a headache that
9 you heard Mr. Kalter say belonged to any hedge fund manager,
10 but it wasn't Murray Huberfeld's headache at the end of 2013.
11 He stepped away from that position. He was a passive investor
12 and a partner, yes, in the fund, and was participating in the
13 fund's profits, but he wasn't dealing with those redemptions
14 the way Mark Nordlicht was at that point in time. His only
15 role at that point in time was to try to bring new investors to
16 the fund. But after succeeding the way he did, does it make
17 sense that this \$89 million of redemptions would be a reason
18 for him to commit crime? The objective evidence says
19 absolutely not.

20 Now let me move on to what I wanted you to put on that
21 shelf a little while ago, Jona Rechnitz and his testimony. I'm
22 not going to belabor it because you already heard a lot, and
23 Mr. Schechtman was very eloquent in his presentation to you
24 about Mr. Rechnitz, but I would be remiss because I have an
25 independent obligation to my client, Murray Huberfeld, to tell

HB7TSEA7

Summation - Mr. Mazurek

1 you a little bit about the inconsistencies and the reasons why
2 Jona Rechnitz's testimony by itself does not give you proof
3 beyond a reasonable doubt that Murray Huberfeld committed any
4 crime, any crime at all.

5 What we know about Jona Rechnitz is that at the end of
6 2013 the only thing that Murray Huberfeld is guilty of is
7 allowing Jona Rechnitz into his life and allowing him to be
8 this million dollar broker with all the connections to come to
9 him and say I'll will get you all of these investors for your
10 fund.

11 But we know Jona came with him with this list of 25.
12 You heard him testify about it, it's up on your screen at page
13 1209 of the transcript. He was asked this question:

14 "In fact, during the end of 2013, you had come up with
15 a list of 25 investors that you proposed to solicit on behalf
16 of Platinum Partners, correct?

17 "A. Murray asked me to make a list. I don't remember the
18 exact date. And I provided one to make sure they weren't
19 people already affiliated with the fund."

20 See, Jona Rechnitz wanted to be in Murray Huberfeld's
21 world. He wanted to get a new set of connections. You heard
22 him say that in the Orthodox Jewish community, Murray Huberfeld
23 was a very reputable man who had a lot of contacts, and you
24 know that Jona Rechnitz was a leech. He didn't have any
25 skills. He didn't work hard. He only had shmoozing, and he

HB7TSEA7

Summation - Mr. Mazurek

1 could only meet people. So he was intent at that point in
2 time, at the end of 2013, to get a new set of people in his
3 Rolodex, in his contact list. And Murray Huberfeld was the
4 perfect person to do it through.

5 So he said I'm going to bring you the people I know to
6 the fund, new investors, a group of 25 to impress. On
7 December 26 of 2013, it's in GX1015, you see that some from
8 Platinum emailed Jona Rechnitz a subscription agreement to the
9 PPCO fund, which was the fund that Murray Huberfeld helped
10 found. It was originally the Centurion Fund and it became
11 PPCO. And it says for the exclusive use of Jona Rechnitz
12 because that was Rechnitz's new project, to bring these 25
13 people in.

14 Now the government says it was really for COBA, but
15 look at the document, COBA is not mentioned. It's only for the
16 exclusive use of Jona Rechnitz because it was part of the list
17 of 25 bringing in the new investors.

18 And we also know this from emails or from other
19 testimony and calendar entries in Jona Rechnitz's calendar
20 book, because he talked about, when showed a calendar entry on
21 December 30 of that same year, 2013, where he was bringing in
22 not Norman Seabrook but another follow by the name of Paul
23 Raps. You will remember this testimony:

24 "Q. You also a meeting scheduled on December 30 with a
25 potential investor by name Paul Raps, correct?

HB7TSEA7

Summation - Mr. Mazurek

1 "A. Correct.

2 "Q. That meeting took place in the offices of Platinum
3 Partners on December 30, correct?

4 "A. Yes.

5 "Q. And this was all in the effort of you trying to impress
6 Mr. Huberfeld, at least in part?

7 "A. That was part of the reason, yes.

8 "Q. And also for you to have the potential of another area of
9 income for JSR Capital, correct?

10 "A. Yes."

11 That was Jona Rechnitz's scheme at the end of 2013,
12 not to tell Murray Huberfeld to bribe Norman Seabrook, it was
13 to get him into Murray Huberfeld's world. So he started
14 introducing people, Norman Seabrook, Paul Raps, Tom Denapoli.
15 That's what he was doing.

16 Now ladies and gentlemen, think about this, I think
17 this is important for you to understand, if Jona Rechnitz had
18 come to Murray Huberfeld and said ah, I have one person on my
19 list, Norman Seabrook, and we're going to just -- you just have
20 to commit a major felony crime in order to get him to invest.
21 Is that going to impress Murray Huberfeld? Is that going to
22 cause him to be placed in Murray Huberfeld's world, to get him
23 further in the position that Jona Rechnitz was trying to get?
24 Absolutely not. Absolutely not, ladies and gentlemen. That's
25 why that conversation never happened. It was Jona Rechnitz

HB7TSEA7

Summation - Mr. Mazurek

1 trying to impress Murray by bringing him investors on Jona
2 Rechnitz's contact list. That's what was happening at the end
3 of 2013.

4 Now you already heard from Mr. Schechtman about
5 another of Jona Rechnitz's lies, the 50 percent return. I
6 won't spend a lot of time on this because Mr. Schechtman
7 already covered it. But when Jona Rechnitz gave this formula
8 that he said was part of a conversation, and the only way that
9 we know about this conversation is through Jona Rechnitz on the
10 witness stand, there's no corroboration. We have to take his
11 word on it. But we know that that 50 percent rate of return
12 was not something that came out of Murray Huberfeld's mouth.
13 It's impossible.

14 See, at that point in time, they were talking about
15 the PPCO. What you know is the PPCO used to be the Centurion
16 Fund, and you know that that fund was started by this man,
17 Mr. Huberfeld. So if there was one person in this entire
18 planet who knew about the assets of PPCO, knew about their
19 rates of return, knew about what that fund was, it was the man
20 who started that fund.

21 Murray Huberfeld never told Jona Rechnitz that oh,
22 you're going to make 50 percent, we're going to make 50 percent
23 profit in one month. This was the testimony. This was the
24 testimony Rechnitz gave in this courtroom. He was asked the
25 question: Well, let me start with this on that formula. First

HB7TSEA7

Summation - Mr. Mazurek

1 of all, 50 percent return for the credit fund was not something
2 that is realistic at all, isn't that true?

3 "A. That's exactly what Murray said."

4 This man would lie about anything.

5 "That was his reason for wanting the money by
6 February," Jona said. He continued, "He kept saying we're
7 going to have a huge month. We could make 50 percent in the
8 fund this month. I want Norman to make that. Don't wait to
9 March. So that was something related to me on several
10 occasions."

11 Just a lie. The man who knew this fund better than
12 anyone because he built it never said that. He wouldn't say
13 that because, as Mr. Schechtman so eloquently showed, the fund
14 never in nine years, in its entire existence had that. The
15 highest monthly rate of return it ever had was 3.5 percent in
16 January of 2009. Another lie by Jona.

17 Now I have to speak on the charity payments because
18 this, ladies and gentlemen, is critical for you to understand
19 the creation of this false story by Jona Rechnitz. He
20 testified about one charity payment. And what did he say about
21 that charity payment when I asked him at the bottom of this
22 call out?

23 "Q. And where did the \$18,000 figure come from?

24 A. It was a number we had chosen. There was a certain amount
25 of charity Murray wanted to give from me."

1 That was a lie. He didn't want you -- I'm here to
2 divine how this man lies or why he lies, but he didn't want you
3 to know that he got paid \$100,000 from Platinum Partners. He
4 wanted to have your attention focused on that one \$60,000 check
5 because that was critical for you to accept his false story.
6 So he lied. He lied.

7 And we know now that the hundred thousand dollars that
8 he received from Platinum fit one formula that he testified
9 about, it fit the formula of one half percent times \$20
10 million, which was the amount that Murray asked Platinum to
11 approve for payment to Jona. They did. And he did it in two
12 different ways, for profit and for charity, 60 percent for
13 profit, 40 percent for charity. That's all the evidence shows
14 that was ever communicated between Murray Huberfeld and the
15 fund Platinum and Jona Rechnitz. That's it.

16 Now Jona Rechnitz couldn't even get the amount right
17 of how much COBA actually invested into Platinum. He insisted
18 it was only \$15 million. We know it was 20, everyone -- we
19 stipulated it was 20, but for some reason this man can't handle
20 the truth. So he kept saying it was 15 million, there was only
21 \$15 million.

22 This make no sense, ladies and gentlemen, because the
23 government is putting on these fancy charts and phone calls,
24 one of which is on the end of July of 2014, July 29 was the
25 second COBA board meeting, and highlight there was a call

HB7TSEA7

Summation - Mr. Mazurek

1 between Norman Seabrook and Jona Rechnitz on that day of the
2 board meeting, but this man continues to say I didn't know
3 there were just two investments. He just can't help but lie.

4 Then he talks about the new formula in a way that it
5 would be an annuity to Norman Seabrook. And he says on the
6 wiretaps -- and I want to get to those now because Mr. Nawaday
7 spent some time on them -- he says that okay, I disappointed,
8 upset, and angered Mr. Seabrook by only giving him 60,000, but
9 I cajoled him and consoled him for the fact that we would start
10 paying the annuities in January. So while talking about the
11 issue and the phone calls and the wiretap recordings, I asked
12 him: What was the issue? The answer he gave was: He only got
13 \$60,000, he was expecting more. And I told him he'll start
14 getting his annuity payment of half percent calculation from
15 the beginning of the year.

16 The annuity. Is there any evidence that there was any
17 annuity paid to Norman Seabrook? None. None.

18 Now ladies and gentlemen, this is troubling because it
19 doesn't make sense. It doesn't make sense that Jona Rechnitz
20 is saying on a recorded conversation I have this issue, he says
21 the issue is the annuity payments, and yet there's no further
22 conversation, no call, no evidence. Jona didn't create another
23 lie about paying Norman Seabrook any annuity in January,
24 February, March, April, May of 2015.

25 And guess what? During those five months, by

HB7TSEA7

Summation - Mr. Mazurek

1 stipulation by the government, what we know, there was a secret
2 wiretap recording on Jona Rechnitz's phone for five months. No
3 annuity plan, no plan for delivery, no way of getting this
4 money. Five months. Look at the phone records. How many
5 phone calls between Jona Rechnitz and Murray Huberfeld over
6 those five months? Hundreds. They picked two calls, the two
7 calls in five months when these guys are speaking to each other
8 hundreds of times and say there is -- they're in code on the
9 issue of the annuity.

10 Ladies and gentlemen, the only calls that were
11 presented to you, the recordings, there's one payment, there's
12 a payment in 2015. Yes, Eureka, there is a payment in 2015, a
13 baby gift by this man to this man of \$1,000, that Norman
14 Seabrook appears at Murray Huberfeld's office and gives him a
15 family gift for his grandson. An annuity, reverse annuity,
16 Norman to Murray, makes no sense.

17 And when the government stands up and says ah-hah, and
18 Mr. Nawaday said it several times on that call when talking
19 about the baby gift, and you heard his voice, Murray is like I
20 can't believe what happened, he came and hugged me and kissed
21 me, it was really quite nice. But I didn't ask him for -- I
22 didn't ask him for money.

23 Well, ladies and gentlemen, see, this is something
24 that Jona Rechnitz might not know anything about, but it's
25 called human decency, and if a guy like this comes to you -- he

HB7TSEA7

Summation - Mr. Mazurek

1 said, Jona says, oh, yeah, Norman went to the party. But I
2 think it makes a lot more sense that he didn't go to the party
3 and he wanted to give him a gift, so he showed up at the office
4 and said I'm sorry I didn't make the party, but
5 congratulations, mazel tov to your first grandson, and gives
6 him a hug and a kiss. Murray Huberfeld is a decent guy, so he
7 doesn't go around saying, by the way, can you give me another
8 \$10 million from your fund. Instead, he calls the brokers who
9 are supposed to be working for the \$100,000 that they're
10 getting and says brokers, do your job, this guy loves me, get
11 more money from him.

12 The thing is if you take Jona's story -- think about
13 this, Mr. Nawaday says Murray Huberfeld is not one to get his
14 hands dirt dirty, so he has the bag man, the middle man. Here
15 you have, supposedly, right here, just like in the courtroom,
16 the two men together. Not all the people and the jury looking
17 at them, just the two guys together in a room, Murray
18 Huberfeld's office.

19 Supposedly they have been involved in a conspiracy to
20 commit bribery now for over a year together. Wouldn't that be
21 the moment, in the secrecy of one's private office, for Norman
22 to say to Murray: Hey, man, I got shorted last year, I'm not
23 putting any more money in until you give me money. And for
24 Murray to say: All right, here's the extra money, or we'll
25 make arrangements to do it.

1 But we know that didn't happen. That would be the
2 perfect time, not on a phone call. Jona says, on December 11,
3 2014, there's a phone call, one minute, we don't even know if
4 it connected, but he immediately phoned Murray Huberfeld to say
5 guess what, just paid the bribe. See, if Jona said that, it
6 was like, oh, no problem doing that, going on the phone and
7 saying I paid the bribe. But here are two men in the solitude
8 and privacy of his own office, and yet there was no talk about
9 bribes. And we know that because immediately after he left the
10 office, Murray called the two brokers, Jona and Jeremy, and
11 said he's ready to go, I couldn't talk to him about it, but
12 he's ready to go, begging and asking those guys to do their job
13 to try to get more money. That's all the wire tap showed.

14 And by the way, when Jona said that there was an
15 issue, the issue, and the issue must have been that Norman is
16 not happy with the money he's getting, that's what he said on
17 the first call, then go to GX912, the second call, and he
18 describes what the issue was. There was an article in the
19 newspaper about Norman Seabrook, and one of the board members
20 was upset with him, which we know eventually led to a lawsuit.
21 That was the issue.

22 See, the government takes these innocent little facts
23 and they want to use them to say criminalize and to say that's
24 evidence that these guys are guilty. Ladies and gentlemen, you
25 know better, you know better to look behind what the government

1 is saying to see if it really makes sense. And that's all that
2 we're asking you to do.

3 Now we know, we have already talked about the lies
4 that he made about the for profit or charity, but let me turn
5 now to the issue of why, why did Jona Rechnitz come into this
6 courtroom and lie about Murray Huberfeld.

7 Well, we know he has this cooperation agreement. We
8 also know, ladies and gentlemen, that the cooperation agreement
9 for Jona Rechnitz was plan B. See, plan A -- we know what
10 happened with plan A because we heard about it and Jona
11 testified about conversations he had with his father,
12 conversations he had with his father-in-law. Plan A was just
13 lie, straight out I didn't do. Remember he was being
14 investigated on all the cash that was being given to him by
15 Hamlet Peralta, and what he said was this was a legitimate
16 liquor business and I didn't know any better. So he got on the
17 phone with his father and said, you know, we just lie, because
18 this Hamlet Peralta fellow, he's a low level criminal, no one
19 will believe him, but people will believe me. That's how he
20 was going to get away with it.

21 Now when the drumbeat got louder and there were more
22 people involved and the press started putting him on the front
23 pages, and after he lied to investigators who visited him in
24 February, in March of 2015, and then when he hired the lawyer
25 and he scheduled another interview in May of 2015 at his

1 lawyer's office and the FBI attended and he lied again, well,
2 he cornered himself. Now he's caught in lies about receiving
3 hundreds of thousands of dollars in cash from Hamlet Peralta,
4 he lied about his dealings with Phil Banks, the New York City
5 Police Chief, and now he was all over the papers. He was
6 getting advice from lawyers, and he decided in April of 2016 to
7 go in and try plan B.

8 And we know what plan B was. Plan B was cooperating
9 against other people, and it resulted in Government
10 Exhibit 1601, a get out of jail free card. He said look, I
11 have to be complete and truthful in my cooperation. But the
12 only people -- we asked this seven ways to Sunday. The only
13 people who make that decision whether he gets that 5K letter
14 for the sentencing judge, his sentencing judge to determine
15 whether he should be given leniency and not have to spend a
16 single day in jail, those people are not seated at this table,
17 not seated up there, seated right here. They make that call.
18 They make the call as to whether that letter is submitted, and
19 Jona Rechnitz may not have to do all those years in prison.

20 Now why Murray Huberfeld? I agree with
21 Mr. Schechtman -- respectfully, I didn't take offense by you
22 telling me that Murray Huberfeld is not that important.
23 Clearly Norman Seabrook is the big target.

24 But why wouldn't he say Murray Huberfeld was also
25 guilty of this, that the money I got from Platinum Partners,

HB7TSEA7

Summation - Mr. Mazurek

1 Murray knew it was a bribe. Murray Huberfeld was just
2 collateral damage to Jona Rechnitz. He couldn't say I paid the
3 money by myself, because that's not what Jona does. He had to
4 say I was just a middle man, low level guy. So sorry, I just
5 handed that money over. I shouldn't have done, it but it
6 wasn't my idea, it wasn't my design, it was Murray's. Murray
7 came up with the formula. Murray came up with the idea of how
8 to pay, Murray came up with the idea of the New York Knicks
9 invoice. Murray came up with the idea of the second formula of
10 the annuity payment; not him, not Jona Rechnitz.

11 See, that's Jona Rechnitz's MO, because when we asked
12 him: Did you pay to arrange for that prostitute on the flight
13 to Las Vegas? No, someone else did it. Did you have sex with
14 the prostitute? No, I had a stomachache, my eyes closed, I
15 didn't see anything. But when he was asked -- when the
16 prosecutors and agents asked him, do you recall in an earlier
17 session, he even had a different story, he said I'm not sure, I
18 could not remember whether I had sex with a prostitute on that
19 trip. That's not believable. Blames others.

20 When he said he built the police relationships by
21 providing gifts for favors, he said that was Jeremy Reichberg,
22 that was his idea, or when he perjured himself on a gun
23 application: I didn't even look at it, Jeremy Reichberg filled
24 it out.

25 When he was questioned about the Jason Nissen and

HB7TSEA7

Summation - Mr. Mazurek

1 Hamlet Peralta investment scheme: I was a victim. I didn't
2 know that Peralta was involved in an illegal liquor business.
3 I didn't know Jason Nissan was in such a hole that he couldn't
4 pay -- buy tickets with the investor money. I didn't know.

5 And the greatest, at least in my highlights of Jona
6 Rechnitz's testimony, is who he blamed for not paying his
7 taxes. This one was classic. Why didn't you pay your taxes or
8 file your taxes, Mr. Rechnitz? He blamed -- you heard it here,
9 not making this up -- American Express. He blamed American
10 Express who shut off his account and he couldn't figure out his
11 taxes because he couldn't get his statements. That's amazing.
12 I hope that that's not going to be something that is going to
13 be picked up by the crowd here today because I wouldn't want
14 you to stop paying taxes because you couldn't get your American
15 Express statements.

16 Now the other thing that -- another reason, another
17 reasonable doubt, do you remember the proof in this case that
18 you're going to hear from Judge Carter is proof beyond a
19 reasonable doubt. Another reasonable doubt for you guys, as
20 you think about to evaluate the case, is what you heard from
21 Jona Rechnitz what he did with evidence in this case. I'm
22 going to skip ahead so I'm not taking too much of your time.

23 He told you he destroyed evidence in this case. He
24 was asked this question:

25 "Q. At the time you were approached by the AIB" --

HB7TSEA7

Summation - Mr. Mazurek

1 That's the Internal Affairs Bureau of the NYPD
2 "-- in 2015, what, if anything, did you do with
3 respect to evidence that linked you to the cops and the various
4 other people you know?

5 "A. I destroyed it.

6 "Q. In what ways did you destroy evidence?

7 "A. I got new computers, I got rid of my old computers, and I
8 changed my phone."

9 On cross-examination.

10 "Q. You were using an iPhone at the end of 2014 to communicate
11 by text with Mr. Peralta, correct?

12 "A. Yes.

13 "Q. That iPhone you destroyed, correct?

14 "A. Correct."

15 Ladies and gentlemen, he told you that he had evidence
16 in this case and he destroyed it. That's another reason for
17 you to have reasonable doubt.

18 The other day I asked a question about iPhone. We
19 have the phone records that show one-minute calls, which under
20 the stipulation entered between the parties means we don't know
21 anything, we can only speculate what that one-minute phone call
22 was, a hang up or a voice mail, whether the phone actually
23 connected. If we had the iPhone, do you think there would be
24 text messages?

25 You also heard in testimony that -- remember the Ari

HB7TSEA7

Summation - Mr. Mazurek

1 Gross and Eli Blau situation that happened two months ago, the
2 all-expense paid vacation at the Four Seasons Beverly Hills
3 that Mr. Gross got from our dear Mr. Rechnitz? You heard when
4 he was communicating with Mr. Gross about drafting an apology
5 email from the leaseholder at Eichler's bookstore, Mr. Blau,
6 that they were communicating on WhatsApp, a text messaging
7 application. And you heard what Mr. Rechnitz did to those
8 WhatsApp messages, he deleted them from his phone. But then
9 the government came calling and said before you destroy another
10 phone, give it to us. And he did. And those deleted messages
11 they were recovered by the forensic ability of the FBI.

12 So think about what we could have learned if we had
13 that iPhone in 2014 and 2015. Ladies and gentlemen, you don't
14 have that now. And why? Because Jona Rechnitz destroyed it.

15 Let me say one more thing about the testimony
16 regarding the Eichler's bookstore. It was confusing. It was
17 Mr. Rechnitz at his best trying to obstruct, deny. But here's
18 the thing that really just matters about that testimony, what
19 we know. We know he negotiated a new lease with Mr. Blau. He
20 denied that lease was -- which a higher lease than the old
21 lease, he denied that was for purposes of committing mortgage
22 fraud. That's for you to decide.

23 But what we do know is after that deal was finished,
24 at a time when Mr. Rechnitz no longer had any interest in that
25 building, he flew out Mr. Gross' consultant, and he paid for

HB7TSEA7

Summation - Mr. Mazurek

1 his luxury stay at a hotel and gave him \$2,000 cash. And
2 during that weekend, Mr. Rechnitz and Mr. Gross drafted an
3 email which was going to authored offered by Eli Blau, the
4 leaseholder.

5 And that email was: I'm sorry, Mr. Rechnitz, for
6 causing you such concern, because I know the truth that you did
7 only everything right and this was a real lease and I shouldn't
8 have told other people that it was a fake lease.

9 And that email ended up in the hands of these guys,
10 the prosecutors, because they questioned him about it. And on
11 your screen is the most important thing that you should take
12 away from all of that cross-examination. When they met with --
13 when the prosecutors met with Jona Rechnitz on September 27,
14 2017, this is what Rechnitz told them:

15 "Q. Mr. Rechnitz, on redirect examination you were asked about
16 Eli Blau and Ari Gross. Do you remember meeting with the
17 prosecutors and the agents here in this room, who are now in
18 this room, back in September of 2017, just two months ago, to
19 answer questions about Blau and Gross?

20 "A. I don't remember the exact date but I remember meeting
21 with them about it.

22 "Q. You told them Eli Blau had written an apology email,
23 correct?

24 "A. Yes.

25 "Q. You didn't tell them that you and Ari Gross helped to

HB7TSEA7

Summation - Mr. Mazurek

1 draft that email, did you?

2 "A. That's correct.

3 "Q. You gave them contact information of Ari Gross, correct?

4 "A. That's correct.

5 "Q. You didn't tell them you gave them a full paid vacation
6 the month before in August, did you?

7 "A. That's correct."

8 That is important. That sums up who Rechnitz is. He
9 gave them an email but didn't tell them he helped draft it. He
10 gave them Ari Gross' contact information but didn't tell them
11 that he just treated the guy with an all-expense-paid vacation
12 to Los Angeles.

13 Ladies and gentlemen, you cannot convict these two
14 innocent men on the basis of that man's word.

15 Now I asked at the very beginning of my
16 cross-examination this question to Jona Rechnitz: Are you able
17 to tell the difference between the truth and a lie? And this
18 is the only thing he answered, I think, credibly: I don't
19 understand the question. I don't understand the question.

20 Now in his opening statement Mr. Bell asked you this:
21 The question in this trial isn't going to be whether you
22 approve of Jona Rechnitz or even whether you like him, it's
23 whether you believe he's telling the truth.

24 I embrace that question from Mr. Bell, and I think the
25 evidence and the testimony of Jona Rechnitz answers that quite

HB7TSEA7

Summation - Mr. Mazurek

1 clearly to all of us. Jona Rechnitz was not afraid to lie to
2 family, his father-in-law, to his wife, to his father, he
3 wasn't afraid to lie to his friends, Michael Weinberger, and
4 all the investors who he didn't disclose his commissions from
5 in the Nissen Peralta deals.

6 He wasn't afraid to lie to potential investors telling
7 them that he's a partner at Platinum Partners, about owning
8 real estate he did not own, about co-investing in the same
9 deals. He lied to law enforcement, police and FBI in
10 interviews in February, April and May of '15.

11 He lied on the gun permit application. He lied in
12 September 2017, just two months ago, to the FBI and the
13 prosecutors by hiding his role in the Blau apology email and
14 hiding his payments to Ari Gross. He obstructed justice by
15 destroying cell phones, removing computers from his office, and
16 deleting WhatsApp messages.

17 He lied to you, the jury, when he said he didn't think
18 that dressing in blackface was racially offensive, and that he
19 never heard the term before.

20 One more lie that he told, and in this case, he lied
21 that Murray Huberfeld directed a cash payment to Norman
22 Seabrook.

23 Through these lies, Jona Rechnitz steals us all of our
24 dignity. By lying in court against these gentlemen he tries to
25 take away their personal freedom. For days he sat above us on

HB7TSEA7

Summation - Mr. Mazurek

1 that witness stand and tried his outmost to fight, to
2 challenge, to obstruct, and to deceive. He was at times
3 defiant and arrogant. He said he was remorseful, but showed no
4 signs of it. He took such a technical view of language, he
5 even shouted, "How dare you," to me. He tried to win each
6 question. And yet he said things so far fetched, so
7 incredible, so maddening that we all could not help but cringe
8 th.

9 MR. BELL: Objection.

10 THE COURT: Overruled. Go ahead.

11 MR. MAZUREK: This was the man the government brought
12 before you as the witness needed to condemn my client, Murray
13 Huberfeld.

14 Jona Rechnitz was the only witness against Murray
15 Huberfeld in this entire trial. In the last two-plus weeks
16 only one man spoke against Murray, and this man cannot be
17 believed. His words were shown to have no value, mere sound
18 signifying nothing. He lied before he got to court, he lied
19 here in court, and he will lie again. This is Jona Rechnitz.

20 Tomorrow you will begin deliberating the fate of
21 Murray Huberfeld and Norman Seabrook. You will decide whether
22 the testimony of Jona Rechnitz is enough to condemn them to the
23 crimes charged. Before you do, I want each of you to think
24 carefully about the contrast, the contrast between Jona
25 Rechnitz and Murray Huberfeld you heard in this courtroom.

1 Jona Rechnitz, a man who lied and cheated his best
2 friend and closest family, a man who claimed to be so sheltered
3 not to know about the simplest societal norms about respecting
4 your fellow person, no matter the color of your skin, a man who
5 was willing to do anything to save and further himself, and has
6 shown a callous disregard of the safety and dignity of others.

7 On the other hand, you have been introduced to Murray
8 Huberfeld, self-made man, son of immigrants, American success
9 story from Brooklyn, a hard-charger, tough guy, a man who spent
10 millions on creating a family charitable foundation, a man who
11 fought hard for his business, a man who believes there is no
12 substitution for an honest and hard day's work. Murray
13 Huberfeld did not need to bribe someone to get the job done.
14 He believed in an old fashioned work ethic, not shmoozing.

15 Jona Rechnitz and Murray Huberfeld could not be more
16 different, ladies and gentlemen. Now, however, these two men's
17 lives have collided in this courtroom and in these past few
18 weeks. The only things Murray Huberfeld is guilty of is
19 allowing Jona Rechnitz into his life to convince Murray that
20 Jona had great connections to bring investors to Platinum.

21 Mr. Huberfeld was sucked into Rechnitz' allure of
22 being the guy everyone knew. What better trait for a broker,
23 the million dollar broker? Of course, Jona Rechnitz turned out
24 to be a phony. But what you know to be true is that Jona
25 Rechnitz never admitted that he was a phony to Murray

HB7TSEA7

Summation - Mr. Mazurek

1 Huberfeld. Just like Jona could not admit to his
2 father-in-law, David Kohn, that Hamlet Peralta was a shaky
3 business deal, or could not admit to Andrew Penson that Jona
4 really did not have big ones in dealing with the mayor, or
5 could not admit to Michael Weinberger that he stole \$600,000
6 from him by lying about the cost of Superbowl tickets, or to
7 you, that he could not admit that he knew it was offensive when
8 he wore blackface to a party.

9 This is where the government's case breaks down. The
10 evidence only showed that Murray Huberfeld asked Platinum
11 Partners to pay for Jona Rechnitz for his efforts in bringing
12 in COBA. Jona asked for a check to both his for profit
13 business and to charities. The total amount paid was \$100,000,
14 or half a percent of COBA's investment, 60 percent for profit
15 and 40 percent to charities. This is what the evidence
16 actually shows. Murray Huberfeld did not agree that any of
17 this money should go to Norman Seabrook. The money was what
18 Jona wanted from Platinum, and it was approved and it was paid.
19 That is all the objective evidence showed at this trial because
20 that is what actually happened. Jona never asked Murray to pay
21 a bribe.

22 If you sit here and review the evidence in this case
23 and you have a feeling based on logic, based on reason, that
24 Jona did not tell Murray anything about paying a bribe and
25 instead just asked Platinum to pay him a fee of \$100,000, then

1 ladies and gentlemen, that is reasonable doubt.

2 The judge will tell you tomorrow morning that proof
3 beyond a reasonable doubt is the standard of proof the
4 government must meet in this criminal case to overcome the
5 presumption of Mr. Huberfeld's innocence. Proof beyond a
6 reasonable doubt. The term almost defines itself. It is a
7 feeling based on logic that sits in your stomach so firmly that
8 you cannot condemn another man while that feeling persists.

9 It is the doubt that Jona Rechnitz left us all feeling
10 with in this courtroom after six days of testimony. It is the
11 only answer I submit to the question that Martin Bell posed to
12 us at the outset of the case. The answer is clear. Jona
13 Rechnitz cannot handle the truth. His whole life has been a
14 fraud, and he deserves no credit in this courtroom or in the
15 world at large. He destroys people for his own pleasure and
16 gain. Take away Jona Rechnitz and the government's evidence
17 against Murray Huberfeld is not proof beyond a reasonable
18 doubt.

19 On the screen I'm putting up ten separate reasons,
20 each one of them provide a separate and independent doubt, a
21 reasonable doubt, for you to find that the government has not
22 satisfied its burden in this case.

23 Let me ask you a couple of questions before I leave
24 you. Would you base any important decision in your life on the
25 testimony of Jona Rechnitz? Did anything that Jona Rechnitz

HB7TSEA7

1 say in this courtroom provide you proof of such a convincing
2 character that you would rely on it in a matter of importance
3 in your own personal lives?

4 Ladies and gentlemen, starting tomorrow, you are, each
5 and every one of you, independent and separate judges of the
6 facts of this case. Each one of you has sworn an oath to
7 evaluate the evidence presented to you based on the law on
8 which you will be instructed by the judge. You must evaluate
9 the testimony of Jona Rechnitz in order to reach a verdict on
10 my client in the most important matter in his life.

11 You must determine whether the lack of Murray
12 Huberfeld's motive, the lack of documentary evidence, the lack
13 of proof and wiretap recordings is overcome by what Jona
14 Rechnitz said on the witness stand. That's one other question
15 of Jona Rechnitz, I asked him if he were a liar. I didn't need
16 to hear his answer. Lying is what Jona Rechnitz does. A liar
17 is who he is. Why? Doesn't need a reason. He does it for
18 fun.

19 Ladies and gentlemen, that belief you have right now
20 based on reason and logic, it has a name, it's called
21 reasonable doubt. Your task is easy, return a swift and
22 forceful rejection of Jona Rechnitz and find Murray Huberfeld
23 not guilty on each count. Thank you.

24 THE COURT: Okay. Members of the jury, we'll take our
25 afternoon break. Let's make it -- let's go for a nine-minute

15 HB7TSEA7

1 break to be sure we come back from the break in time to
2 complete our task by 5 o'clock.

3 Don't discuss the case with anyone, don't let anyone
4 discuss it with you. Don't read anything about the case or
5 listen to anything about this case. We'll see you in nine
6 minutes.

7 (Jury not present)

8 THE COURT: Let me check in with counsel. After the
9 rebuttal summation by the government, I'll need to give the
10 jury their typical instructions. I don't think there's
11 anything else that I need to tell them, but me hear from
12 counsel: Is there anything else?

13 I already mentioned to them yesterday that we hoped
14 they would start deliberating tomorrow and they could cease
15 their deliberations if they don't have a verdict by 2:30. I
16 could remind them of that tomorrow or tell them that today.
17 They're pretty worn out right now, but counsel?

18 MR. SCHECHTMAN: I think less is more. No need for an
19 elaborate instruction.

20 MR. BELL: We agree, your Honor.

21 MR. MAZUREK: Yes, your Honor.

22 THE COURT: Okay, see you soon.

23 (Recess taken)

24 (Continued on next page)

HB7JSEA8

Rebuttal

1 THE COURT: Let's get ready. Are we ready? Okay,
2 counsel?

3 MR. CAPONE: Yes.

4 THE COURT: Have a seat. Let's bring the jury in.

5 (Jury present)

6 THE COURT: Please be seated. We will now have the
7 rebuttal summation by the government. Go ahead, counsel.

8 MR. CAPONE: Thank you, your Honor.

9 God afternoon, everyone. You have heard a lot of
10 arguments today. We have just heard several hours of defense
11 arguments. For all those hours and for all the days of
12 cross-examination, they have really made two points to you.
13 Jona Rechnitz is alone and Jona Rechnitz is a liar. Jona
14 Rechnitz was alone uncorroborated among the evidence and Jona
15 Rechnitz lied to you. That is what you're being asked to
16 believe.

17 So with the time I have this afternoon, I am going to
18 focus mostly on those two points. I will start by telling you
19 a story. In 2013 the founder of a hedge fund started seeing
20 troubling signs about the fund's health, signs that within
21 months turned into an all out code red situation that he was
22 told threatened the very potential survival of the fund.

23 Emails showed this. He knew the fund needed big
24 institutional investors to help it survive, and he turned to a
25 friend with connections, including connections to a big union.

HB7JSEA8

Rebuttal

1 Emails showed this, too. Almost immediately the friend took
2 the boss of that union on a luxury trip to the Dominican
3 Republic, and about six days after they returned, that union
4 boss was sitting with that hedge fund manager to discuss
5 putting the union's retirement money in the fund. Travel
6 records and calendar invites showed that, too.

7 So the union boss turned to his counselors at the
8 hedge fund. Those counselors didn't know any of the warning
9 signs that the hedge fund manager was seeing, but they did tell
10 the union boss that retirement funds in New York City didn't
11 usually do that kind of thing, didn't put their money in hedge
12 funds like this. One of those counselors drafted a letter to
13 that union boss's Board of Trustees, suggesting there are a lot
14 of risks here.

15 For one, this type of investment is only to be made if
16 you are willing to risk losing all of the retirement money
17 invested. A retirement fund for corrections officers, the
18 counselor said, shouldn't do this, shouldn't make that
19 representation.

20 The union boss knew this would be a red flag for the
21 rest of his board, and so even though the letter bore their
22 name, he never showed it to them, kept it secret. For some
23 reason, even though no similar retirement fund had made this
24 kind of investment before, he wanted this investment to go
25 through, and so it did.

1 Within a couple of months he started looking into
2 investing the union's operating account money in the same hedge
3 fund. Now, this had been an unusual investment to put a pot of
4 retirement money in, but to take money from the union's
5 operating account was downright shocking and inappropriate.

6 All on his own, that union boss depleted nearly every
7 last dollar of his union's reserve, money was there for a
8 conservative reason, for an emergency, and put it in a risky
9 hedge fund, and the union boss, he knew this was wrong because
10 he didn't tell anyone about it in advance. He gave no one the
11 opportunity to shut it down because it would have been shut
12 down. He gave no one the chance to stop this because again for
13 some reason he really wanted to get money into that hedge fund.

14 A couple of months later the union boss directed
15 another five million into the hedge fund, this time again from
16 the retirement pool. This is after the hedge fund sent a fill
17 in, a sub. They didn't ask for any money. They didn't ask for
18 anything. Instead, as the fund employees had written about in
19 advance, the union boss himself had pitched for more, and the
20 union invested another five million.

21 Now, that friend who had initially introduced the
22 union boss and the hedge fund manager, well, travel records and
23 emails show that in the meantime he continued to hang out with
24 the union boss and take him on trips around the world. Near
25 the end of the year after all \$20 million had been invested,

HB7JSEA8

Rebuttal

1 the friend got together one night with the union boss. Records
2 show the friend had just bought a luxury bag, a bag that was
3 found in the union boss's house 19 months later along with more
4 than \$20,000 in cash in the union boss's safe in envelopes,
5 envelopes with numbers that matched the size of the union
6 boss's investments.

7 The same day the bag was bought, the friend sent an
8 invoice that is demonstrably fake to that hedge fund manager
9 for \$60,000. A few days later the hedge fund manager cut
10 checks to the friend, including a check to cover the fake
11 invoice.

12 Why are they exchanging a fake invoice, you might ask?

13 You might remind yourself why was this union boss so
14 eager, so reckless about this investment? Why did he hide
15 things from his board? Why did he have so much money in cash
16 in his house?

17 Ladies and gentlemen, that story, that is this trial
18 without Jona Rechnitz. It is all the other witnesses and
19 documents that you've seen. It is hard to erase things that
20 happened from your memory, but try to do that, try to erase
21 Jona Rechnitz and think about the account I just told you.

22 What would you say to yourself? You'd have a pretty
23 good idea about what was going on here, an idea that something
24 is not right about this, something doesn't add up, but there
25 was another reason for this investment, something that fake

HB7JSEA8

Rebuttal

1 invoice was covering up. You would probably think the union
2 boss was getting something on the side, and if that hedge fund
3 manager friend's then walked into this courtroom after all of
4 that and confirmed your suspicions, you would say I knew it!

5 If you found out that friend was a bad and dishonest
6 guy, you would say that makes sense, you'd believe that was the
7 type of guy who would do this. Somebody would call that
8 confirmation bias. I would call it common sense.

9 Think about the focus on Jona Rechnitz for a moment,
10 ladies and gentlemen. I know it is hard. The defense has made
11 it really hard to do that. That has been their goal all along
12 and they're pretty good on it. Take away the focus on it, and
13 you will see he is the cherry on top, the final confirmation
14 for what you know, for what everything else shows happened here
15 and what your common sense tells you happened.

16 This argument that Jona Rechnitz was alone is simply
17 wrong. They want you to ignore everything else you saw and
18 heard here. Don't do that.

19 How about the other part of the defense argument that
20 Jona Rechnitz is a liar, a bad person. He is a bad person. He
21 bribed NYPD officers. As a result, he had his own private
22 police force. He bought his way to a Westchester County Police
23 Chaplain position just to get a parking plaque and followed it
24 up by buying the Westchester County Executive a Rolex, made
25 campaign contributions specifically to buy influence in

HB7JSEA8

Rebuttal

1 government, lied to friends and family, one thing worse than
2 the next.

3 Also, as Mr. Mazurek said, kind of arrogant. We all
4 saw the same thing you did. He could be curt, sullen. He
5 faced some hostile questioning and he fired right back at
6 times. If this were a personality contest, he'd be a loser.
7 If this were a morality contest, he wouldn't be allowed to
8 participate, but it is neither.

9 You know, as prosecutors we often have to prove cases
10 using bad people, people who have cheated and stolen, lied and
11 bribed. It is not pleasant. It is not something we choose to
12 do. We would love to prove cases, I would love to try this
13 case to you with saints, not sinners, or even just ordinary
14 folks, but it doesn't work that way.

15 You know and I know and Mr. Shechtman and Mr. Mazurek
16 knows there are people who can tell you about crimes and the
17 people who committed them, and so by definition they are
18 criminals and they are often bad people.

19 Who else would do these things? Who else would you
20 expect to engineer a kickback scheme between Mr. Seabrook and
21 Mr. Huberfeld? Would you expect that person to be an honest,
22 law-abiding citizen who made one big error in judgment? Would
23 you have expected him to have done this kind of thing before,
24 to have cheated and stole and lied and bribed?

25 So when I tell you I think he is a bad person, I mean

HB7JSEA8

Rebuttal

1 it and it makes perfect sense. Mr. Shechtman and Mr. Mazurek
2 are excellent lawyers. It is literally their job to stand here
3 and make Jona Rechnitz look bad. It doesn't take much time,
4 but they tried hard anyway. What does it show?

5 As they whacked and whacked and whacked away at
6 Mr. Rechnitz, what is the take-home? The take-home is that a
7 person who set up a corrupt arrangement between the two
8 defendants was himself corrupt. This should not shock you. So
9 what is he lying about? Is he lying about these defendants?
10 He spoke for several hours on direct testimony about the
11 kickback scheme. That was the only thing that matters here.

12 That testimony was not contradicted on
13 cross-examination. Today you heard speculation about maybe
14 there were cigars in the bag, maybe it was a Chanukkah gift.
15 There were no questions about that during the trial. Mr.
16 Shechtman literally asked Mr. Rechnitz zero questions about the
17 Platinum investments, the kickbacks, December 11th. Look at
18 the transcript, not one. That was deliberate, ladies and
19 gentlemen. That is not the testimony they wanted you to pay
20 attention to. They want you to focus on his American Express
21 bill, not on the Platinum investment. As you focus on the
22 latter, his testimony makes sense and is corroborated by
23 everything else you saw and heard.

24 Although they didn't ask him about the investment much
25 on cross-examination, you did hear today in the argument some

HB7JSEA8

Rebuttal

1 reasons put forward as to why you should disbelieve him when it
2 comes to what happened with the COBA investment, so I will take
3 a couple of those on.

4 First they pointed out there are FBI notes from a
5 couple years ago or a year and a half ago that when
6 Mr. Rechnitz was first asked about this, the notes say that he
7 said he met Norman Seabrook earlier in the day, the late
8 morning or late afternoon. That is a very clever way to cast
9 doubt on Mr. Rechnitz's account of the bribes because it is
10 actually about the bribe, but it is meaningless. No one
11 disputes when this meeting happened.

12 Mr. Shechtman said at the very beginning of this case
13 that Jona Rechnitz met Mr. Seabrook that night and gave him a
14 bag. They went to dinner and to a synagogue. He said, "All of
15 that is true. None of it is disputed."

16 If all of us in this room agree with what happened and
17 its timeline, what significance should you take from the fact
18 he initially forgot it was later in the day, not earlier?
19 None.

20 You also heard some suggestions today that the \$60,000
21 was for Mr. Rechnitz because there were also \$40,000 in charity
22 checks that went to charities on his behalf, and if there were
23 those \$40,000 for Mr. Rechnitz, why not give more money to Mr.
24 Seabrook? Why didn't Murray Huberfeld just pay a little more?

25 Let's talk about whether this makes sense. If Jona

HB7JSEA8

Rebuttal

1 Rechnitz is lying about how this all went down to somehow
2 account for these \$40,000, to get around this \$40,000 in
3 charity checks, wouldn't he have told you some simpler lies?
4 Why tell a whole complicated story about there was this one
5 formula, but then the hedge fund didn't do so well, so it
6 amounted to less and then must have added a little more money
7 on top and then we discussed there was a new formula and that
8 is what was going to be the case going forward.

9 Why do that? If he is trying to make up for the fact
10 that \$40,000 went to him, why not just say we split it 60-40.
11 That is an easy way to explain this.

12 You heard today a suggestion that the second formula
13 was probably the formula all along because if you do that
14 formula, it shows the result was a hundred thousand dollars.
15 So why make up that first formula? It doesn't make any sense.

16 If all of this money was for Jona Rechnitz, why split
17 it up, why not give him a hundred thousand dollar check he can
18 give to charity checks whenever he wants? These charity checks
19 are the defense's only hook to get you to speculate on what
20 else this money might have been for.

21 By the way, while we're on the subject of why
22 Mr. Rechnitz would be lying, there are a lot of better lies he
23 could have told you. Mr. Mazurek just suggested that
24 Mr. Rechnitz tried to make himself out to be lower than he
25 actually was, so when he needed to bring Mr. Huberfeld into

HB7JSEA8

Rebuttal

1 this, it was because he was pretty low, he was a middleman.

2 Was that his testimony? Mr. Rechnitz testified that
3 it was his idea in the first place to offer Norman Seabrook
4 money, not Murray Huberfeld's. He told you that he took
5 advantage of Norman Seabrook and lied to him in the Dominican
6 Republic when Seabrook was emotional and had some drinks to
7 sell this plan. He told you he puffed up the numbers to Norman
8 Seabrook. Why would he do these things? Why make himself out
9 to be probably the worst actor here if he was just a middleman?

10 Why did he testify when he went to lunch with the two
11 defendants at the Prime Grill on December 2013, they didn't
12 talk about the kickback scheme? Why not testify that they sat
13 down and worked it out amongst themselves? Because that is not
14 how it happened.

15 The defense attorneys have also argued that the
16 formula Mr. Rechnitz talked about doesn't make sense because
17 with a 50 percent return on \$20 million, it should have been
18 \$200,000 and not \$100,000. Look at the testimony.
19 Mr. Rechnitz did not say that a 50 percent rate of return was
20 used to come up with this precisely. He said that Murray
21 Huberfeld was throwing out numbers, and one of the numbers was
22 50 percent, but at the end of the day his take home was, it
23 probably amounted to a hundred thousand dollars.

24 MR. SHECHTMAN: I recognize it is the jury's
25 recollection, but that is not the testimony.

1 THE COURT: Overruled. Go ahead. Continue.

2 MR. CAPONE: If Mr. Rechnitz wanted to lie about all
3 of this, why make up the formula to begin with? Why not just
4 say we agreed to bribe this amount, \$60,000 or a hundred
5 thousand dollars?

6 So really nothing contradicts Jona Rechnitz's
7 testimony about the actual kickback arrangement, the reason
8 we're here. You heard speculation again today about maybe
9 there are cigars and things like that, but during the
10 examination, nothing contradicted it. They can't discredit
11 that directly, so here is the strategy, totally transparent,
12 destroy everything else about the guy. It doesn't matter that
13 they concede most of what he says is true when he admits to
14 things. Make them hate Jona, that is what they're doing.
15 Let's bring that down.

16 First, as Mr. Nawaday mentioned, the only reason you
17 know about nearly all of Jona Rechnitz's past misconduct and
18 lies is because he told you about them. Bribes, influence
19 bank, false filings, no-show jobs for health insurance, lies to
20 friends and family, all of that came from his mouth. The
21 defense wants you to credit all of this bad stuff, but not the
22 kickback arrangement. They want you to credit every bad thing
23 he has ever done except that, and that makes sense.

24 The next part of the strategy is since he is going to
25 admit about all that bad stuff he has done, let's make it look

HB7JSEA8

Rebuttal

1 like he is still hiding things. If he is still hiding things,
2 then he can't be believed. Pay attention. That is the
3 strategy that is being employed on you. Pay attention to why
4 they're doing this and look at what the actual evidence shows.

5 Let's go through a couple of examples. Eli Blau, we
6 just heard about Eli Blau and the bookstore from Mr. Mazurek,
7 and you heard several hours of that during the examination. It
8 is totally irrelevant, very far afield from this case.

9 I think the point was that Mr. Mazurek wants you to
10 think that Jona Rechnitz entered into a fake lease with Eli
11 Blau for a bookstore and then tried to bribe Ari Gross and Eli
12 Blau to write an email saying the lease was true. I think that
13 is the point.

14 Again be careful here. There is nothing in the record
15 about this lease. You haven't seen the lease. You haven't
16 heard from Eli Blau. You heard heard from Ari Gross.

17 MR. SHECHTMAN: Judge, objection. May we see the
18 court in the robing room?

19 THE COURT: Sure.

20 (At the sidebar)

21 THE COURT: Can I get the last two sentences read
22 back.

23 (Record read

24 MR. SHECHTMAN: I spent probably 45 minutes in this
25 robing room with the government saying you can't call any of

HB7JSEA8

Rebuttal

1 those people because it is extrinsic evidence, and now to stand
2 up and say you haven't heard from those people is unfair to us,
3 right?

4 You haven't heard, you haven't seen the lease. Ask
5 what happened when we tried to put the lease into evidence.
6 Objection. Extrinsic. Ask what happened if we called these
7 people? Objection. Extrinsic. The court should instruct the
8 jury the rules of evidence prevented us from calling those
9 people. That is an unfair argument.

10 THE COURT: Counsel for the government?

11 MR. CAPONE: Your Honor, the defense through hours of
12 cross-examination of Mr. Rechnitz has tried to paint a picture
13 of a lease that Mr. Rechnitz bribed his way into faking.

14 MR. SHECHTMAN: I understand that.

15 THE COURT: This is what counsels' concerns is. You
16 actually mention they haven't seen --

17 MR. MAZUREK: I tried three times to move it.

18 MR. CAPONE: I will move on.

19 MR. BELL: We can, your Honor, nevertheless say there
20 is a dirth of evidence that proves what they have been
21 insinuating.

22 MR. SHECHTMAN: Not when you keep it out.

23 MR. BELL: We don't have to accept the insinuation and
24 we ought to be able to push back.

25 THE COURT: You can say, you don't need into get into

HB7JSEA8

Rebuttal

1 specifics. It seems to me you can say that there is nothing in
2 the record that states this generally, but you can't start
3 talking about leases. Let me just figure out where is it
4 you're going with this stuff?

5 MR. CAPONE: That the defense through its questions is
6 trying to insinuate something was wrong here.

7 MR. SHECHTMAN: I ask you to instruct the jury the
8 rules of evidence prevented the lease and those witnesses from
9 being called.

10 MR. MAZUREK: I join that request.

11 THE COURT: I won't do that. That is overruled. I
12 will sustain the objection. Let's strike those last two
13 sentences and let's just move on.

14 MR. SHECHTMAN: That is fine. For what it is worth, I
15 continue -- I said that is fine -- I continue my objections.

16 MR. MAZUREK: I join that objection.

17 MR. SHECHTMAN: You can't keep things out of the
18 record and say they're out of the record.

19 MR. MAZUREK: I join Mr. Shechtman.

20 (In open court)

21 THE COURT: That objection is sustained. The jury
22 should disregard the last two statements made by counsel.

23 Go ahead.

24 MR. CAPONE: How about health insurance?

25 The defense attorneys also want you to believe that

HB7JSEA8

Rebuttal

1 Mr. Rechnitz continued to commit crimes by staying on his
2 health insurance plan that he got from a no-show job. Again
3 how do you know from about the the no-show job and health
4 insurance again? There is no dispute Mr. Rechnitz told the
5 government about this when he first began cooperating.

6 Should he have canceled it after that instead of
7 waiting for it to lapse? Yes. You have heard this saved him a
8 couple hundred dollars a month. Did he intentionally risk
9 losing all of his cooperation for that?

10 Then there is Jason Nissen and taxes and American
11 Express bills. Once again, this is something that Jona
12 Rechnitz admitted to misconduct about. He admitted to lying to
13 Michael Weinberger and other investors. He admitted to doing
14 it to make money. He admitted to telling Mr. Weinberger an
15 investment was for one amount and he was taking some of it
16 himself.

17 He admitted to Mr. Nissen paying his AMEX bills, and
18 this the defense wants you to credit. They want you to believe
19 that even though he is willing to admit this, he lied about
20 some of the other details. Again through their questions,
21 they're searching for something for you to think he is still
22 lying here, but in addition to asking yourself whether the
23 evidence at trial shows you he was making things up, ask
24 yourself where his incentives lie and where they have lied ever
25 since he began meeting with the government.

HB7JSEA8

Rebuttal

1 First, it has been suggested to you essentially that
2 Norman Seabrook and Murray Huberfeld were Jona Rechnitz's meal
3 ticket, that staring up to 20 years in prison, he was a
4 desperate person and Seabrook and Huberfeld are casualties of
5 his desperation.

6 Think about what else Jona Rechnitz told you he
7 confessed to as soon as he began cooperating. He confessed to
8 corrupt relationships with people at the highest levels of the
9 NYPD. He confessed to getting special access to city
10 government by virtue of huge donations, and in one instance to
11 paying for the mayor's fundraiser, to take a trip to Dominican
12 Republic. He confessed to lavish donations to the executive of
13 Westchester so he could get a meritless chaplaincy and buying
14 that same executive a Rolex. He confessed to doing all of this
15 with his friend, conspiring to do this with Jeremy Reichberg.

16 So maybe all of this is his meal ticket?

17 The defense did not put it that way. They
18 deliberately did not put it that way. They don't want you to
19 disbelieve that he corrupted cops or bought a Rolex for the
20 Westchester County Executive or did all of those other bad
21 things. That is part of what makes him a bad person. They
22 shouldn't have it both ways.

23 If Jona Rechnitz was a force of corruption, and when
24 he came in to cooperate with the government, he had no reason
25 to tell the truth about all that other misconduct and tack on

HB7JSEA8

Rebuttal

1 Norman Seabrook and Murray Huberfeld needlessly. Common sense
2 tells you that Jona Rechnitz had no motive to frame these two
3 men. In particular, he really had no motive to frame Murray
4 Huberfeld. That makes no sense.

5 You heard throughout this trial they were close, they
6 were friends, they came from the same community. If he wanted
7 to make this up, he did not need to bring Murray Huberfeld into
8 it. He could have told you he took the money from Murray and
9 gave it to Norman without Murray knowing about it. If this was
10 about meal tickets, you heard it from the defense attorneys,
11 Norman Seabrook was a plenty big meal ticket. Framing his
12 friend Murray Huberfeld makes no sense.

13 While we are on to Rechnitz's incentives, you heard a
14 lot about what is in his cooperation agreement and how this
15 trial affects his cooperation. If he tells the truth at this
16 trial and the defendants are found not guilty, he still gets
17 his 5K letter. His fate is not tied to the fate of these two
18 defendants. If he is caught lying, he gets no leniency no
19 matter what happens here.

20 How do this incentives lineup? It is pretty clear. I
21 have gone on for a while to make a simple point, and that
22 simple point and that is don't just write off Jona Rechnitz's
23 testimony because he is a bad person. He is, but think
24 carefully about the defense tactics here and think about his
25 testimony on the kickback scheme and its consistency with the

1 rest of the evidence.

2 Now, I want to just address a few other arguments the
3 defense made during their closing arguments, starting with
4 motive. Mr. Mazurek has suggested to you that Murray Huberfeld
5 would not have committed a federal crime to get \$20 million
6 into a billion dollar hedge fund. Why take that kind of risk,
7 he argued?

8 Well, first, a little less than half of that billion
9 dollars was in a totally different fund, the PPCO, a completely
10 different fund. Emails showed you the PPVA was the fund they
11 were concerned about, not the PPCO.

12 Second, COBA was one of the top investors in the fund.
13 It was the top investor in 2014. There could hardly be a more
14 important investor for the fund that year.

15 Third, Mr. Huberfeld was tolled that the fund was in a
16 lot of trouble. You saw the email. Mr. Mazurek wants you to
17 think this was the result of Mark Nordlicht being intense or
18 exciting. That is not what the email says. The email said
19 this is a code red. The email suggested the fund will have to
20 shut down if it keeps losing money the way it was losing money.
21 The evidence in this case shows you that Mr. Huberfeld was told
22 the fund was struggling, he was told we're in trouble, be
23 aggressive. That is in the email. That is what he did.

24 Did Murray Huberfeld have a motive to bribe Norman
25 Seabrook? Yes. Mr. Shechtman, too, has talked about about

HB7JSEA8

Rebuttal

1 Norman Seabrook's motive. Seabrook wanted to get bigger
2 returns for the fund. He was enticed by the fantastic figures
3 in Platinum's literature showing 18 percent returns in light of
4 what the board perceived to be underperformance by Wright
5 Investors.

6 What should you make of this? Well, first, at most
7 you should make of it that Norman Seabrook found he could make
8 money both for the annuity fund and for himself. Those two
9 things are not automatically opposed to each other, but again
10 let's look at what the evidence actually is, the evidence, the
11 actual numbers are in evidence.

12 I would like to show you a couple of them. Would you
13 pull up Government Exhibit 402 and go to Page 20, please. Just
14 highlight the chart at the bottom. These are the materials
15 that PPVA offshore, the fund that COBA invested in, and just
16 above that it is taken down -- just go a little above that Ms.
17 Bustillo, as well. That is good.

18 18 percent was the historical return for the PPVA.
19 The numbers fluctuated vastly, as you can see, and you heard
20 COBA being involved in the fund. Look at the numbers in 2012
21 and 2013, the last two years. The number in 2012 was 1 and a
22 half percent. The number in 2013 was 8.33 percent return with
23 one month to go. Now look at Government Exhibit 310. Those
24 are the numbers that COBA had when COBA was evaluating whether
25 to make this investment.

1 Page 2, please. Pull up the first paragraph.

2 Two men made Wright's presentation. They reported a
3 12.1 percent increase in investment return for 2013. The
4 returns for 2013 did not meet their benchmarks.

5 Wright had returned 12.1 percent in 2013, most likely
6 more than Platinum which had only returned 8.3 something
7 percent as of November 2013. So, yes, there is evidence that
8 12.1 percent was low for Wright, under benchmark, but there is
9 also evidence that Platinum was significantly underperforming
10 the last couple of years, too.

11 MR. SHECHTMAN: Judge. So we're clear, it is 12.1
12 percent increase in investment return, not 12.1 percent
13 investment return.

14 THE COURT: Overruled. Go ahead, counsel.

15 MR. CAPONE: What about that \$5 million investment of
16 COBA's operating money? Mr. Shechtman has to explained that
17 away, too because it is really tied to Mr. Seabrook. He wants
18 to think he was trying to make the extra \$400,000 for the fund.
19 This is where your brow should really start to furrow for many
20 reasons.

21 You saw evidence there are plenty of other examples of
22 increased spending from year-to-year, a few hundred thousand
23 dollars increased public relations spending from one year to
24 the next. The answer in the past was not to wipe out nearly
25 the entire reserve to make up for that. You saw evidence that

1 HB7JSEA8

2 Rebuttal

3 in 2014 COBA was only over budget by about \$40,000.

4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
There is no piece of evidence in this case more than this one that should have you scratching your heads to come up with an explanation for it. This is not just something Norman Seabrook should have consulted his board about. This is something he well knew that board wouldn't have approved. You heard it from them at this trial.

This is not just because Jona Rechnitz was flattering Mr. Seabrook, making himself out to look big. That doesn't explain the recklessness of this move. The defense attorneys also suggested to you that the wire calls show you there was nothing incriminating about this relationship. Again remember the government started intercepting those calls the month after the kickback payment, so there are no calls on Jona Rechnitz's phone for the month before, but you also heard that after January 2015, Jona Rechnitz was pretty much out of this.

He was approached by law enforcement in February of 2015. In fact, you saw the phone records. There are very few calls between Jona Rechnitz and Norman Seabrook at all in 2015 because he was pretty much out of this. You're also asked why don't they just talk about the bribe on the phone? Why doesn't Murray Huberfeld just say Jona, can you pay cash to Norman Seabrook?

Of course, that is not what you're going to hear on the phone calls. What criminal would talk like that on the

HB7JSEA8

Rebuttal

1 phone? They talked about Jeremy Reichberg. You heard one of
2 those calls where Jeremy Reichberg started to talk about this,
3 and he said you couldn't ask for more, right? He started to
4 get into it and he stopped. Then he met Mr. Huberfeld in
5 person to drive him to a class to talk about it.

6 So we're going to close soon and I think it makes
7 sense to close where the crime closed, where Norman Seabrook
8 got paid. Let's talk about everything we know about December
9 11th, 2014 that is not in dispute.

10 Here is what we know. We know that there were several
11 phone calls placed one way or the other that day between
12 Mr. Rechnitz and Mr. Seabrook and Mr. Rechnitz and Mr.
13 Huberfeld. We know that Mr. Seabrook drove into Manhattan
14 around 6:00 o'clock that night, and then about 6:02 pm Jona
15 Rechnitz bought a bag from the Salvatore Ferragamo store. We
16 know that Jona Rechnitz went back to his office for about 15
17 minutes, and around that time his assistant sent him a phoney
18 invoice to Platinum Partners.

19 We know that he left the office, he took the bag with
20 him, he met up with Norman Seabrook. We know that around the
21 very moment he left, he forwarded that phoney invoice to Murray
22 Huberfeld twice. He actually forwarded it at 6:30. Murray
23 Huberfeld placed a call to him at 6:33. He forwarded it again
24 at 6:34, and then he went and met Mr. Seabrook and he gave Mr.
25 Seabrook that bag. Then he called Murray Huberfeld or placed a

HB7JSEA8

Rebuttal

1 call to Murray Huberfeld at 7:00 pm.

2 There has been, it has been agreed between the parties
3 where the calls are just one minute, you can't know for sure
4 whether the call connected or not. The point here is not
5 whether they actually talked at 7:03 or when Murray Huberfeld
6 called him back at 7:36. The point is that Jona Rechnitz
7 placed the call to Murray Huberfeld right after meeting with
8 Norman Seabrook. All of that corroborates Jona Rechnitz's
9 account of the evening and all of it is not in dispute.

10 Mr. Shechtman in his opening called this palm tree
11 corroboration because it only shows that Jona Rechnitz met with
12 Mr. Seabrook and gave him a bag. It doesn't put the cash in
13 the bag. He is overplaying his hand here.

14 In addition to all of the other evidence about Norman
15 Seabrook's deception on his union to get these investments done
16 and Murray Huberfeld's motive to prop up a failing fund, there
17 are at least two things about this that are just not palm
18 trees; that phoney invoice and your common sense.

19 That phoney invoice and your common sense shows you
20 that there was a coverup. Ladies and gentlemen, there was a
21 coverup. There was a crime.

22 Let's talk a little more about that invoice. You have
23 seen it. Mr. Nawaday explained all of the reasons to you that
24 you know it is phoney, and there is no real dispute in this
25 trial that the invoice is phoney. It was a fake. It covered

HB7JSEA8

Rebuttal

1 something up. It covered something up that Murray Huberfeld
2 and Jona Rechnitz didn't want others to know about. That is an
3 important concession. Think about it. There is no dispute
4 that something was being covered up. There is no dispute that
5 \$60,000 paid for something that was being covered up.

6 You have heard a couple of reasons to speculate about
7 something else that might have been covered up. Maybe it was a
8 way for Jona Rechnitz to avoid paying taxes, and that is what
9 was being covered up. Maybe it was a way, because Jona
10 Rechnitz was not a registered broker, to pay him and not get in
11 any trouble with the fact he was not a registered broker.

12 Does that make sense? Does it make sense to you that
13 some rules on whether Jona Rechnitz was a registered broker is
14 the reason that this phoney invoice existed in light of all of
15 the other evidence you have heard and seen in this case, that
16 that's the reason to do all of this?

17 Ask yourself these questions. If that invoice had
18 nothing to do with the money to Norman Seabrook, if it was only
19 covering up something else, and we don't really know what it
20 is, why did Jona Rechnitz send it to Murray Huberfeld at around
21 6:30 pm on December 11th, 2014, moments before he met with
22 Norman Seabrook?

23 It has been suggested to you today that he could only
24 get paid at that time because he was going out of town, so this
25 is why it had to happen then. He didn't get the check that

HB7JSEA8

Rebuttal

1 day. He wasn't paid that day. He was paid a few days later.
2 You saw the emails between Mr. Rechnitz and his assistant
3 coordinating receiving the checks.

4 Why is Jona Rechnitz calling Murray Huberfeld and
5 Norman Seabrook back-and-forth all today. Why does Rechnitz
6 call Huberfeld at 7:00 pm after he met with Norman Seabrook and
7 gave him a bag? Why is all of this happening at the same time?

8 If Jona Rechnitz is lying to you, if that fake invoice
9 has nothing to do with Norman Seabrook, why is it being
10 generated and sent to Murray Huberfeld on the same day, in the
11 same hour, in the same half hour that Jona Rechnitz is meeting
12 up with Norman Seabrook?

13 Does that make any sense? Is this all just a series
14 of really bad coincidences for Norman Seabrook and Murray
15 Huberfeld? Does it just look bad that of the 365 days in a
16 year and 24 hours in a day Jona Rechnitz and Murray Huberfeld
17 are covering up money paid by Platinum in the same day, in the
18 same half hour that Rechnitz met with Norman Seabrook and
19 indisputably gave him a bag?

20 Of course not. These are not really bad coincidences
21 for Norman Seabrook and Murray Huberfeld. These are the facts,
22 the facts that along with your common sense show you that on
23 December 11th, 2014, Jona Rechnitz handed Norman Seabrook a
24 bagful of cash and was then reimbursed by Platinum based on a
25 phoney invoice.

1 Mr. Shechtman was very shrewd when the first thing
2 that he said to you at this trial was this case should be
3 titled Jona Rechnitz versus Norman Seabrook and Murray
4 Huberfeld. That set the stage. You heard a lot of that theme
5 again today. The defense attorneys, you want the first thing
6 and last thing you say would be this suggestion that Jona
7 Rechnitz is alone. Don't buy it.

8 Ladies and gentlemen, that is only true if you ignore
9 the timing of all of this. That is only true if you close your
10 eyes to everything else that was happening. Don't do it. If
11 you kept your eyes open during this trial, you will realize
12 this wasn't just Jona Rechnitz versus Norman Seabrook and
13 Murray Huberfeld. This is Norman Seabrook and Murray Huberfeld
14 versus the phone records and surveillance video and receipts
15 and photographs and phoney invoice, and in the end the truth.

16 Because the truth, ladies and gentlemen, is that all
17 of this just happening to take place at once would be an
18 unbelievable coincidence. The truth is that when people act
19 this way, when Norman Seabrook tried to hide his lawyer's
20 concerns from the board, and he tried to siphon off the union's
21 entire reserve money with no notice to the board, when Murray
22 Huberfeld tried to come up with a phoney reason to pay Jona
23 Rechnitz \$60,000, they're hiding something they've done wrong.
24 This case is not Jona revoke versus the defendants. This is
25 the defendants versus the weight of all the evidence and your

HB7JSEA8

Rebuttal

1 common sense.

2 In December 2013 Murray Huberfeld made a decision to
3 put his interests in saving his fund above his fidelity.
4 Norman Seabrook made a decision to put his interest above the
5 thousands of correction officers whose interests he had a duty
6 to protect. They reached an agreement, a conspiracy to engage
7 in a kickback scheme. One year later, in December 2014, a man
8 got into Norman Seabrook's car on Lexington Avenue and handed
9 him a bagful of cash. Norman Seabrook had officially sold out
10 his correction officers, and Murray Huberfeld had paid him to
11 do it.

12 You met some of those correction officers during this
13 trial. You saw them. You saw the Elias Husamudeen, Maiello,
14 Palmieri, Amanda Warner, they're on the board of the union.
15 They used to work in the jails. There are a few of the
16 thousands of correction officers, people with hard, dangerous
17 jobs, people who rely on some extra pension money when they
18 retire, people who the defendants cheated for their own
19 benefit.

20 That is why we have been here the last few weeks,
21 ladies and gentlemen. That is what the evidence and your
22 common sense tells you what happened. Hold Norman Seabrook and
23 Murray Huberfeld accountable for cheating those people.

24 Find them guilty.

25 THE COURT: Okay, members of the jury. We are going

HB7JSEA8

Rebuttal

1 to adjourn for the day.

2 MR. BELL: May we have a very brief sidebar before
3 anything else happens?

4 THE COURT: Very briefly. Let's go.

5 (At the sidebar)

6 MR. BELL: I hate to do this. I appreciate the
7 circumstances. We are at the end of the day, but this is
8 important. Our FBI agent who has been sitting at counsel table
9 and who sat at counsel table during the last sidebar reported
10 to us the following:

11 That he witnessed Juror No. 10 gesturing to somebody
12 in the gallery just after we came in for the last sidebar. She
13 was smiling, she was nodding her head and then started
14 making -- and I will note for the record, I am making the
15 gesture myself -- the sort of trademark vomit gesture, the sort
16 of barf gesture that people make when they are grossed out by
17 something. Juror No. 11 evidently witnessed the interaction
18 and smiled when she saw it. We ask our FBI agent specifically
19 whether this was something that was actually a matter of 10
20 just reacting to seeing somebody in the jury or interacting
21 with them and he said --

22 MR. SHECHTMAN: In the audience?

23 MR. BELL: Sorry. In the audience and said
24 specifically this is the reason I want to address this now.

25 If this is a live situation in which we otherwise

HB7JSEA8

Rebuttal

1 might stage an inquiry, and members of the jury and members of
2 the public are going to be released out there, we might lose
3 out on an opportunity to actually act on this in whatever the
4 most appropriate way is.

5 I will note for the record throughout this trial the
6 gallery has generally been filled not with our members of our
7 office and our family, but people who we know, people who
8 defense counsel acknowledged relatively early on are generally
9 affiliated with the defendants. So we are concerned by this.

10 THE COURT: What do you want me to do?

11 MR. BELL: I think it might make sense to do one of
12 the two following things. I think it might make sense, not
13 unlike the fashion in which we handled the newspaper
14 controversy from earlier, to actually ask Juror No. 10 whether
15 she was interacting with somebody in the gallery when we
16 stepped in. The question, to me, isn't whether we should do
17 that, but whether we should ask Juror No. 11 what she saw
18 first.

19 THE COURT: 11 or 10?

20 MR. BELL: 11 is the one who witnessed, appeared to
21 have witnessed the interaction and smiled.

22 This is a concern. The Juror No. 10 shouldn't
23 theoretically have anything to do with anybody out there. Your
24 Honor I think instructed, as every Judge in this district does
25 at the beginning of a trial, to note to the Deputy or Clerk if

HB7JSEA8

Rebuttal

1 they should have somebody in the gallery who they know.

2 So we are concerned. I will note the timing of this
3 was in the middle of Mr. Capone's rebuttal.

4 MR. SHECHTMAN: So bring her in and ask her if she
5 knows someone in the gallery.

6 THE COURT: We need to send the other jurors to the
7 jury room and bring 10 out.

8 MR. BELL: It is not a matter of did you know or did
9 you interact.

10 THE COURT: It seems like that is the first question,
11 did you know someone in the audience. If Juror 10 says no, I
12 don't think there is anything about interactions.

13 MR. NAWADAY: There is because she could be
14 interacting knowing there is family out there, she is making
15 eye contact with family members of the defendant.

16 THE COURT: If she doesn't know them, what matters?

17 MR. NAWADAY: Exactly. I don't think the jurors are
18 supposed to be interacting with anyone in the public out there
19 or anyone associated with the defendants or the government.

20 THE COURT: I will ask Juror No. 10 if she knows
21 anyone in the audience. If the answer to that is yes, I will
22 ask her who is the person to you, and how do you know this
23 person, and I will ask if you are interacting with this person.

24 MR. NAWADAY: The question should be asked were you
25 gesturing with someone in the audience at all.

HB7JSEA8

Rebuttal

1 THE COURT: Why?

2 MR. NAWADAY: Who was that person?

3 MR. BELL: There was a barf gesture.

4 THE COURT: I understand that. Why? Let's say this
5 is Juror 10's cousin who just came to pick Juror 10 up because
6 we went late today, and Juror 10 is gesturing and doing this to
7 her cousin.

8 MR. BELL: I don't think other things, if she is
9 making a barf gesture into the social ether, it also suggests
10 she --

11 MR. NAWADAY: Already decided.

12 MR. BELL: Your Honor explicitly instructed the jury
13 not to do that at the start, which is to form an opinion.

14 THE COURT: That doesn't mean the juror necessarily
15 formed an opinion. Maybe the jurors don't like some of the
16 arguments. Jurors were in different stages of being enthralled
17 with lots of lawyers today. There are many points where jurors
18 were seeming to be looking the other way, struggling to stay
19 awake.

20 MR. MAZUREK: Yes.

21 MR. BELL: That is fair, but a barf gensture would be
22 beyond the specter of ordinary responses. We ask your Honor
23 ask the same question regardless.

24 MR. SHECHTMAN: And strike her?

25 MR. BELL: That depends on the answer.

1 HB7JSEA8

2 Rebuttal

3 MR. SHECHTMAN: What if she said yes, I thought the
4 arguments sucked?5 THE COURT: We'll ask the jury to go in the jury room
6 and bring Juror No. 10 out. I will ask her if she knows anyone
7 in the audience. It sounds like you want, whatever her answer
8 is to that, is to say were you -- what is it you want me to
9 ask? I guess that is the question?10 MR. BELL: Whether she interacted in any way with
11 anybody from the gallery by gesturing or otherwise during the
12 previous sidebar.

13 THE COURT: If she says no to that?

14 MR. BELL: There may not be anything else.

15 THE COURT: Anything from the defense?

16 MR. SHECHTMAN: Yes. If she says yes to that, if she
17 says I disliked that argument --18 THE COURT: If she says yes to that, there is some
19 follow-up we need to add in terms of finding out who this
20 person was. As long as this person is not someone who is
21 affiliated with this case, I don't think it matters.22 MR. SHECHTMAN: If she says she doesn't know anybody,
23 we should stop there.

24 (Continued on next page)

25

HB7TSEA9

1 (In open court)

2 THE COURT: Members of the jury, before I dismiss you,
3 here's what we're going to do: We're going to ask you to
4 retire to the jury room for a moment and we'll bring you out.
5 I know we're running a little late, but let me ask you to go in
6 the jury room.

7 Remember, don't talk to anyone about the case or
8 listen to anyone about this case. See you in a moment.

9 While that's happening let me get counsel in the
10 robing room.

11 (In robing room)

12 THE COURT: So I will ask the clerk to tell my deputy
13 to ask Juror 10 to come out here. I didn't want do it this out
14 there in public because if there someone that knows this
15 person, we don't need any or confusion.

16 (Juror present)

17 THE COURT: Could you state your name again for the
18 record.

19 JUROR: Nida Soriano-Bartolome.

20 THE COURT: So I just had a question, do you know
21 anyone who is in the audience today?

22 JUROR: No.

23 THE COURT: Were you interacting with anyone in the
24 audience?

25 JUROR: No.

HB7TSEA9

1 THE COURT: Okay, thank you.

2 Let's do this, why don't you go back to the jury room,
3 but don't discuss what we have discussed here with any other
4 jurors, okay?

5 JUROR: All right.

6 THE COURT: Escort her back to the jury room.

7 (Juror not present)

8 MR. BELL: That's all we have got for now, your Honor.

9 THE COURT: Hold on. So let's just go ahead and get
10 it straight. What we'll do now is bring the jurors out and
11 dismiss them?

12 MR. SCHECHTMAN: Sounds good.

13 THE COURT: Sounds good.

14 (In open court)

15 THE COURT: Let's bring the jury out.

16 (Jury present)

17 THE COURT: Please be seated.

18 We're going let you go for the day. I will instruct
19 you, as I have before, don't read anything about this case. If
20 you see anything about this case in the newspapers or on the
21 internet, stop reading. Don't listen to anything about this
22 case. If you hear anything about this case on the radio,
23 television or internet, stop listening. Don't discuss this
24 case with anyone, don't let anyone discuss this case with you.
25 Don't do any research regarding any of the people or the issues

HB7TSEA9

1 in this case. Make sure that you take any personal items with
2 you and don't leave anything in the jury room, and we'll see
3 you bright and early at 9:00 a.m. As I told you before, at
4 9:00 a.m. I will give you the instructions on the law, and
5 later you will begin your deliberations after I give you your
6 instructions on the law.

7 Have a wonderful evening, and I will see you bright
8 and early at 9:00 a.m.

9 (Jury not present)

10 THE COURT: Let's give the jurors a five-minute head
11 start.

12 Counsel, one thing we should address is we have to
13 address the verdict form, so we're going to hand you our draft
14 verdict form and you can look at it, let us know if you have
15 any objections to it.

16 MR. SCHECHTMAN: Judge, our only thought, on Count
17 Two, and this may be to avoid a problem, if they find
18 Mr. Seabrook not guilty, your instructions tell them not to
19 deliberate further. And there is the potential for them to say
20 not guilty and then not for Mr. Huberfeld, so it may be just a
21 sentence in there that says if you find Mr. Seabrook not
22 guilty, then you either check not guilty or stop. That's the
23 only thing that I think may make sense to add.

24 THE COURT: Sounds right to me. Counsel for the
25 government?

HB7TSEA9

1 MR. CAPONE: That sound fine, your Honor.

2 THE COURT: So we'll add something like that.

3 Anything else we need to deal with this evening?

4 MR. SCHECHTMAN: Nothing, your Honor.

5 MR. BELL: No, your Honor, thank you.

6 THE COURT: All right. I guess just housekeeping
7 matters, I may have mentioned this before, my practice is that
8 once the jury starts deliberating I don't require counsel to
9 stay here in the courtroom. You're free to move around as long
10 as my deputy has your cell phone number and you can be here in
11 15, 20 minutes, that's fine. Although usually it's helpful for
12 counsel to perhaps hang around for the first 45 minutes or so
13 if case the jury starts asking for things.

14 The other thing that I could make available to
15 counsel, if counsel are in agreement, we could send all the
16 exhibits to the jury. That doesn't mean the transcript, but we
17 could send all the exhibits into the jury room so the jurors
18 have them all, at least everything that can easily be accessed
19 that day. There may be issues with the recordings and such, we
20 could do that. My sense is counsel probably don't want to do
21 that, but if counsel are in agreement, we can do that.

22 MR. SCHECHTMAN: We're going to stay here for the
23 entire deliberations because I live this way, but it still
24 takes me more than 15 minutes. So we'll be around. I think
25 our preference would be to wait for the jury note. We'll be

HB7TSEA9

1 here.

2 THE COURT: And on the exhibits?

3 MR. SCHECHTMAN: Same thing, if they want them we'll
4 be here, and whatever they want we can agree to and send them
5 in. But I think we prefer to wait and see what they want.

6 THE COURT: Counsel have any thoughts in terms of the
7 technology if the jurors want to hear the recordings? I
8 think -- let me find out what counsels' view is, bring them out
9 to play recordings?

10 MR. SCHECHTMAN: I think we will have to bring them
11 out to play. It's awfully complicated otherwise.

12 MR. CAPONE: We agree with that.

13 THE COURT: Anything else that we need to discuss?

14 MR. CAPONE: No, your Honor.

15 THE COURT: Let's get counsel here at 10 minutes to
16 9:00 tomorrow to avoid the unnecessary bumping into the jurors.

17 The other thing, counsel, my practice with the
18 alternate jurors is once the jury starts deliberating, my
19 practice is not to excuse the jurors, the alternates, but to
20 allow them to work and go about their business and let them
21 know that they can't discuss the case with anyone so we could
22 reach them in case they need to be substituted for a
23 deliberating juror.

24 Counsel have any objection?

25 MR. BELL: That makes sense to us as well.

HB7TSEA9

1 MR. MAZUREK: That's fine.

2 THE COURT: See you tomorrow.

3 (Adjourned to November 8, 2017 at 9:00 a.m.)

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25